

## Pan Am 103 May Move To Trial in The Hague

U.S. Survivors Oppose Compromise With Libya on 2 Suspects

By Tom Buerkle  
International Herald Tribune

LONDON — The United States and Britain said Tuesday they might agree to allow the two Libyans accused in the 1988 terrorist bombing of Pan Am Flight 103 to be tried in the Netherlands, a potentially significant shift that could end years of diplomatic deadlock with Tripoli.

Secretary of State Madeleine Albright and Samuel Berger, President Bill Clinton's national security adviser, told families of some of the U.S. victims in a conference call Tuesday that they were discussing with British and Dutch officials the possibility of a trial in The Hague that would be conducted under Scottish law.

Officials stressed that no decision had been made and said there were numerous practical and legal difficulties to resolve. But the suggestion of a trial in the Netherlands, which has been advocated by many families of British victims but strongly resisted by most American families, would amount to a major change by Washington and London.

The State Department spokesman, James Rubin, said that some new ideas were "under discussion," but that no decision had been made. He said one idea would be a trial by "a Scottish court in a third country with Scottish judges."

The possibility of a trial in The Hague under Scottish law was first reported in The Guardian on Tuesday.

Until now, the two governments have insisted that Libya comply with UN Security Council resolutions and hand the two suspects over for trial either in

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This mother of month-old twins was caught up in the tidal wave with her infants and swept inland. She managed to clutch a palm tree, lash herself and her infants to it and hold on until the waters subsided.

## Toll in Tidal Wave Now 1,200 Dead

With 6,000 Missing, Disease Threatens Survivors as They Await Help

Compiled by Our Staff From Dispatches

AITAPE, Papua New Guinea — Disease became a major threat Tuesday to survivors of the tidal waves that struck along the northwestern coast, as the official death toll rose to 1,200 people, with 6,000 missing.

Emergency medical teams struggled to treat hundreds of injured villagers, many faced to die from injuries or tropical illnesses spawned by the deep cuts they received when the waves hit Friday.

"There are still so many people still out there missing and yet to be accounted for," said the Papua New Guinea disaster coordinator, Colin Travers. "It is really horrifying — people's lives are nothing."

Survivors told harrowing stories of how they managed to stay alive after clinging

onto the tops of coconut trees, running for boats and swimming for their lives.

One little girl who had wandered injured and confused through the jungle for four days was found by news crews, while a woman managed to hang onto her newborn twins as she tied herself to a palm tree and emerged unscathed when the fierce waters subsided.

So far, only 2,527 people have been found alive out of the 8,000 to 10,000 believed to have lived in these remote coastal fishing and subsistence farming villages.

The Disaster Coordination Office said it expected the death toll to rise to 3,000.

The beach along Sissano lagoon, which was struck by three tsunamis, had become one long graveyard. About 700 bodies have been buried there.

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## Greenspan Renews Warning on Inflation

Fed Chief Points to Wage Pressures; Analysts Fear Rise in Interest Rates

By Mitchell Martin  
International Herald Tribune

NEW YORK — Alan Greenspan, the Federal Reserve Board chairman, told Congress on Tuesday that the U.S. economy remained on a robust growth path, despite the drag of Asia's downturn, and that the central bank's policymakers would "resist vigorously" inflationary pressures.

His warning on inflation indicated the central bank was not likely to push down interest rates anytime soon and would consider raising them in response to pressures that could erupt from the tight American labor market.

Mr. Greenspan said the Fed might need to counter any "tendency for prices to accelerate" if wage pressures undermined "this extraordinary expansion."

"He didn't indicate, as people had begun to hope, that he might lower short-term interest rates," said Carol Stone, an economist at Nomura Securities International in New York, and "he did indicate that inflation remains his greatest concern."

The stock market weakened after Mr. Greenspan's presentation. The Dow Jones industrial average closed 105.56 points lower at 9,190.19.

The comments contrasted with Mr. Greenspan's previous semiannual testimony, in February, when he said the U.S. economy was finely balanced between the forces of inflation and the economic weakness emanating from Asia.

In his latest statement, however, the Fed chairman told the Senate Banking Committee, "Given the current tightness in labor markets, the potential for accelerating inflation is probably greater than the risk of protracted, excessive weakness in the economy."

Frank McCormick, an economist who is director of U.S. forecasting at Bank of America in San Francisco, found Mr. Greenspan's tone to be "hawkish." The Fed chairman, "basically said that the economy has to slow down. He expects it to occur through other forces, but if it does not, then the Fed will have to tighten."

"A number of factors likely will serve to damp growth in aggregate demand, helping to foster a reasonably smooth transition to a more sustainable rate of growth," Mr. Greenspan said.

Among these are further effects from the Asia crisis and a slowdown from high levels of domestic investment in housing, factories and equipment.

The central bank's official forecast was relatively sanguine. For 1999, the board said the presidents of the 12 regional Federal Reserve Banks, predicted the economy would expand between 2 percent and 2.5 percent, while inflation, as measured by the consumer price index, would grow within the same 2 percent-to-2.5 percent range. They pegged the unemployment rate at 4.5 percent to 4.75 percent.

The 1998 growth rate was increased to a 3 percent to 3.25 percent range from the February prediction of 2 percent to 2.75 percent, but this largely reflected

strength in the first quarter.

The economy is expected to show a dramatic slowing from the 5.4 percent annual rate of expansion when second-quarter numbers are released.

Mr. McCormick said that although the inflation projection for 1999 was modest, it indicated the central bank would act, by raising interest rates if necessary, to keep it to the estimated range.

Significant parts of Mr. Greenspan's testimony, required twice a year under the 1978 legislation that is known as the Humphrey-Hawkins law, concerned weakness in the Asian economies,

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The Dollar			
New York	Tuesday 4 P.M.	previous close	
DM	1.7875	1.7818	
Yen	140.35	138.825	
FF	5.992	5.975	
Pound	1.644	1.6478	
Dollars per pound			
The Dow			
	Tuesday close	percent change	
Dow	9,190.19	-1.14%	
S&P 500			
	1,165.07	-1.61%	
Nasdaq			
	1,979.15	-1.74%	

## Russians See Loan by IMF As a Chance For Solvency

By Michael Wines  
New York Times Service

MOSCOW — Fresh from two significant, if modest, successes with international lenders, Russia's leaders expressed hope on Tuesday that their foundering economy was finally turning the corner toward solvency.

Private analysts seemed less sanguine. They said the government had gained only a few months to get its fiscal house in order before it faced another financial crisis like the one that rocked the nation for the last several weeks.

On Monday, the Russians managed to calm foreign investors and halt the decline of the ruble when they obtained a \$4.8 billion loan from the International Monetary Fund in exchange for promising to make basic reforms in their tax and budgetary procedures.

That same day, they gained more breathing space when international investors bought up \$4.4 billion in long-term bonds to refinance exorbitant short-term loans that were coming due this year.

The new bonds, paying about 15 percent interest, covered a sixth of the short-term debt, which has been sold at interest rates of 50 percent and more.

Prime Minister Sergei Kiriyenko said Tuesday that the government now had the time and resolve to overhaul its tax code and tax-collection system to ensure that it does not end up in another cash crunch like this summer's.

"I think we can say that yesterday we completed a very important stage," he said. "And even more important is that we won it. I think it was an absolute victory."

Mr. Kiriyenko was referring not just to the new loans, but to the legislative program that he and President Boris Yeltsin proposed last month to address the government's financial problems.

The 25-point program, which included a new income tax, a new sales tax and increases in property taxes, bogged down in the Parliament, which approved barely a third of the \$16.2 billion in revenue-raising measures that Mr. Yeltsin had sought.

Over the weekend, Mr. Yeltsin sidestepped the Parliament's communists and regional governors, who feared the measure would cost them money, and put the programs into effect by decree.

Mr. Kiriyenko said the decrees were even more draconian than the earlier legislative program, and would raise even more than the government had sought.

Among them were orders to double the taxes on apartment houses and quadruple other land taxes, to place a 3 percent duty on imported goods and to extend Russia's 10 percent value-added tax to a broad range of products.

"The program has been approved, and it has started working," Mr. Kiriyenko said.

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## Loss of Jobs Pushes Indonesia Into Upheaval

Mobs Reported to Loot Plantations

By Michael Richardson  
International Herald Tribune

CIPURINGIN, Indonesia — What can you do if you lose your job? Millions of Indonesians have.

You cannot do much if you are like Umang Sunwani — and millions of Indonesians are. He is a father of eight. He was among 150 workers laid off in May from a big pulp and paper plant in Serang, a town west of Jakarta.

Today, he struggles to make ends meet by driving a minibus one day a week in the district around Cipurgingin, his home village, 110 kilometers (about 70 miles) southwest of Jakarta.

"I've been applying for other jobs," he said. "But the bosses keep telling me they are firing, not hiring. I don't know what else I can do. I have to get food on credit from local shops, and I'm also relying on friends and relatives to help my family out."

A social upheaval, a potentially disaster, is sweeping through Indonesia, the world's fourth most populous nation. Huge numbers of people are losing their jobs.

During the boom decades these people flooded into the cities from the countryside to find work. Now they are returning to the crowded villages they came from, where vacant arable land is just as scarce as full-time jobs are.

For Mr. Umang and the rest of these people, the first resort is to try to find another job, while drawing on savings, selling whatever assets one has and seeking help within the family and social networks that have traditionally helped Indonesia's poor.

But the rapid rise in urban unemployment and the reverse migration from the cities back to the countryside is causing those who feel they have nothing to lose to turn to a second resort: looting and land seizure.

An upsurge of lawlessness led the defense minister and armed forces commander, General Wiranto, to issue a public warning last weekend that police and soldiers would crack down on looters, even if they were destitute.

"I need to warn all people that looting cannot be tolerated even if it is done to save oneself from starvation," he said. "Regardless of who owns the goods or the property, plunder cannot be condoned even if the perpetrators are moved by an empty stomach."

The government said earlier this month that almost 80 million people, about 40 percent of the population, were unable to afford food and other basic needs. It said that by the end of the year 95 million would be in this category. Indonesia defines its poverty line as

See JOBS, Page 5

In Timor, Terror and Hope Intertwined

By Seth Mydans  
New York Times Service

DILI, East Timor — There is an unsettling mix of terror and hope in this threadbare capital of the disputed territory of East Timor, where a solution to two decades of separatist warfare and military brutality suddenly seems possible.

The terror in this former Portuguese colony, born of decades of mutual mistrust, comes from new threats of violence that in recent days have caused thousands — and perhaps tens of thousands — of people to flee the territory, which was seized by Indonesia in 1975.

"Yes, I am very frightened," said Benny Pinaoan, a lumber trader who made Dili his home 14 years ago but evacuated his wife and six children by ship Friday. "They came to me at night, about 10 of them, and asked me if I was for integration or autonomy. I tried to explain to them that I am just a businessman. I don't care what flag they fly."

The hope comes from Jakarta, the Indonesian capital 2,200 kilometers (1,400 miles) to the west, where a bishop, a president, a United Nations envoy and a jailed separatist leader have been discussing formulas for peace. The four men, in round-robin meetings, seemed

to be moving quickly toward a framework that could include a period of dialogue followed by some form of autonomy and a referendum that could lead to independence. The talk was of gradual change that could take years to complete.

The United Nations still recognizes Portugal's sovereignty over the territory of 800,000 people, but until a month ago Indonesia, under its former president, Suharto, insisted on its right to East Timor. The shift came in June, when the

See TIMOR, Page 5

## AGENDA

### Senate Panel Revives 'Fast-Track' Bill

WASHINGTON (AP) — President Bill Clinton's proposal for "fast-track" trade negotiating authority, all but abandoned by the administration, was revived Tuesday by the Senate Finance Committee.

By an 18-to-2 vote, the committee attached the long-languishing proposal to a popular House-approved bill designed to help African nations develop through expanded trade.

The move, led by the committee's chairman, William Roth, Republican of Delaware, could lead to political problems and difficult choices for many lawmakers, especially among

the House Democrats. Furthermore, it placed Mr. Clinton in an awkward position.

Although Mr. Clinton initially considered winning fast-track authority a key legislative initiative, that support drew criticism from many Democratic opponents of the legislation. As midterm elections draw closer, Mr. Clinton has not received the push for the legislation.

Fast-track authority enables presidents to negotiate trade agreements with foreign countries. Congress can either accept or reject such agreements, but not amend them.

### 4 UN Officials Killed Patrolling Tajikistan

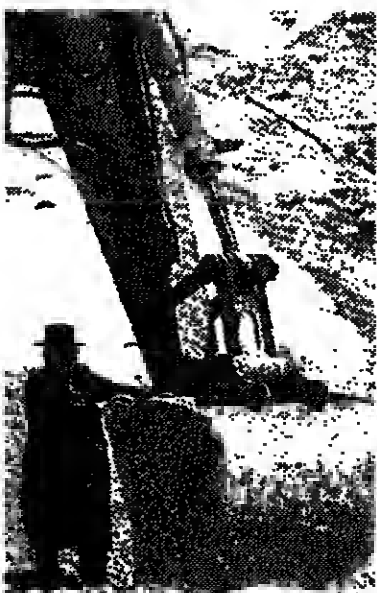
UNITED NATIONS, New York (AFP) — Four UN officials were shot and killed in Tajikistan while on patrol in the mountains east of the capital, Dushanbe, a United Nations spokesman said Tuesday.

The spokesman, Fred Eckhard, said the bodies of a Polish and a Uruguayan military observer, a Japanese civil affairs officer and a Tajik interpreter were found by a search party Tuesday after they failed to report back to mission headquarters.

### PAGE TWO Poland's Diabolical Radio Station

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The Intermarket ..... Pages 4 and 10.  
The IHT on-line ..... www.ihl.com



UNORTHODOX — An Israeli blocking a power shovel Tuesday at a site of ancient graves, part of a religious-secular battle. Page 8.

## Nigerians Wary of Military's Promise

Citizens Are Hopeful but Fear They'll Get 'Old Wine in New Bottles'

By Karl Vick  
Washington Post Service

LAGOS — In the museum of Nigerian governments, a ramshackle little gallery tucked into the shady corner of a downtown parking lot, there is but a single free-standing exhibit. It is the bullet-riddled fusillade that General

Murtala Muhammad had the misfortune to be inside the day in 1976 that assassins decided Nigeria needed a new head of state.

"If you bend over," the guide says, with a gesture toward the back seat, "you can see the bloodstain on the ceiling."

Warning and artifact rolled into one, the car documents the most dramatic departure from the way power in Africa's largest country normally changes hands. Nigeria has had plenty of coups, but they have almost always been bloodless, if not stateless.

The high-reaching vows of national service that General Abubakar laid out in a television address Monday night was more in the tradition of Nigerian governance — the martial rhythm of which rings loud and clear from the display cases lining the walls of "Nigerian Governments: Yesterday and Today."

"Military Regime (Jan.-July 1966)."  
"Military Regime (July 1966-July 1975)."  
"Military Regime (July 1975-"

Feb. 1976)." It is a dispiriting monotony interrupted at roughly 15-year intervals by eras dubbed, "Transition Period."

Now Nigeria has entered another one of those.

The transition to civilian rule, and the handover General Abubakar announced is scheduled, at 10 months, to be the very briefest in the long history of Nigerian military promises to return to the barracks.

The general, who became an apparently reluctant head of state following the sudden death of the military ruler, General Sani Abacha, last month, vowed that an elected president will take his place May 23, 1999.

The new president is to emerge from political parties formed by citizens. General Abubakar said, not by the military rulers who tailored the most recent elections (in which fewer than 10 percent of Nigerians bothered to vote).

Many here say they have heard all this before. "Old wine in new bottles,"

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	18 Dh
Cameroun	1,800 CFA	Qatar	10.00 Qr
Egypt	EE 5.50	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mtl. (Est.)	\$1.20





## A Post-Communist Voice / Challenge to Church and State

## Radio Maryja Raises Holy Hell in Poland

By Christine Spolar  
Washington Post Service

**WARSAW** — The top religious radio station in overwhelmingly Catholic Poland wreaks holy terror on the state — and the church, too.

Should Poland join the European Union? Not if Radio Maryja, run by an order of Catholic priests, has a say about the temptations of Western Europe, which they refer to as the "perfumed swamp."

What should Poles do about lawmakers who would liberalize an abortion ban? Remember how "prostitutes who serviced Nazis" were punished, Radio Maryja recalled earnestly. (Patriotic Poles shaved the women's heads.)

And what should listeners think when the church hierarchy — including Cardinal Jozef Glemp — rebukes the radio station?

Not much, because Radio Maryja has achieved a reach in Poland that few church leaders could hope for, and with it a power to scorch the country's political and religious elite.

Radio Maryja is one of the surprises of Poland's developing freedom of expression. The press duly reports the station's most startling outbursts. It is a media phenomenon unlike anything seen in the former Soviet bloc.

The radio station began seven years ago as an experiment undertaken by the Redemptorists, a Catholic missionary order. The Reverend Tadeusz Rydzik, a priest from the central city of Torun, took on the task of finding out whether Poland's 38 million people would tune in to a religious "radio station with an attitude."

Today, Radio Maryja — tax-exempt and free of commercials — lays claim to a lucrative network of stations that draws more than 4 million listeners, rivaling state-run radio in popularity and impact.

No one would ever describe its brand of populist, conservative chatter as easy listening. Indeed, its toughest detractors dismiss much of its rhetoric as anti-modern, anti-Semitic and anti-democratic.

But Radio Maryja has become a fixture in the Polish media and, ironically, a sounding board for some of the most angry elements in this developing democracy.

Church leaders are listening. The bishops' conference and leaders within the Redemptorist order have had long and increasingly bitter disagreements over the proper use of the modern media. Radio Maryja also has become a sensitive issue for Cardinal Glemp, who has seen the church's standing slip in public opinion polls since the collapse of communism in 1989.

As Mass attendance declines, Radio Maryja — playing a role not unlike that of the church during the Solidarity era of the 1980s — has in recent years rallied thousands of people for political protests.

"Some bishops are, in fact, afraid of a schism



"I just want people to get rid of all the fears and wounds they have within themselves," said Father Tadeusz Rydzik, founder of the controversial station.

over Radio Maryja," said one longtime observer of the church hierarchy here. "It has a following and it is a challenge to their power. They don't want to be seen going against it because, in the end, they could lose authority over it."

Radio Maryja has its own fan club, known as the Family of Radio Maryja. It sponsors regular meetings in stadiums to promote devotion to the mother of Jesus, for whom the station is named.

It has sponsored seminars to train journalists and is developing a Web site on the Internet (in English: [www.radiomaryja.pl/eng/index.htm](http://www.radiomaryja.pl/eng/index.htm)). And in the past few months, the Redemptorists have acquired a regional daily newspaper in western Poland and established links to a new national daily in Warsaw.

All this organization and wealth has come through donations of equipment and money that, for the most part, skirts scrutiny from media regulators. Radio Maryja has ignored the financial reporting requirements of the State Radio and Television Council. This year, perhaps because of increasing questions about its broadcasts, it did produce a list of its expenditures — but with no accounting of its revenue.

Regulators were not dissuaded from demanding a fuller accounting. "It's a radio that thinks of itself as

part of a mission," said Andrzej Zarebski, a member of the state council. "It's difficult to get them to follow the rules that other stations do."

Radio Maryja is largely an oo-air forum for prayer, meditation and community. On one typical afternoon, for example, Janusz from Gdansk called in with a Bible quote. Tadeusz from Katowice asked for a blessing for his mother. Ewa from Bydgoszcz had a free refrigerator for anyone who called at once.

But each day the station also opens its microphones for some "unfinished conversation." Callers, identified by first name only, sound off with clearly ungodly sentiments. Some denounce Communists who, they believe, still secretly control their society. Others suspect that foreigners and Jews — in a country whose Jewish population was nearly wiped out by the Holocaust — are plotting to wrest profits from "real Poles."

Father Rydzik, the station's founder, defends the open-microphone sessions as useful in a country experiencing rapid change.

"I just want people to get rid of all the fears and wounds they have within themselves," Father Rydzik, who is 53, said in an interview at Radio Maryja's office in Torun. "There are a lot of problems here. Poland goes from one system to another — and you can feel that there's been a lot of misunderstanding about all that's happened."

Father Rydzik is regularly quoted — misquoted, he contends — and criticized harshly by Polish newspapers that accuse him of adding to the misunderstanding. Often, he reacts slowly, or not at all, to quiet or to hide intolerant callers, media analysts contend.

"Certainly there's a need for a voice in democracy. But how to find that voice is another thing," said Jerzy Surdykowski, a former Polish consul general in New York and a frequent critic of the Radio Maryja broadcasts, which are also aired by radio stations with Polish-speaking audiences in New York, Chicago, Boston and Pittsburgh.

"The political hatred is so raw; it's a phenomenon of the times," he said. "People are afraid of the modern world. Radio Maryja is one place, anonymous, by phone, where they can shout their hatred."

"Most of what they say about us is untrue," Father Rydzik said of the station's critics. "Most of the journalists in Poland are in the hands of the Communists and it shows. I feel bad when they say we are anti-Semites, or something like that."

Still, Father Rydzik is popular. At a prayer festival in the city of Olsztyn this spring, he was robed by legions of gray-haired women. "I don't know what I'd do without Radio Maryja," said Krystyna Wisniewska, 50. "I care for my 90-year-old mother 24 hours a day. I change her Pampers. I feed her. I'm closed into a three-room flat every day. If I didn't hear Radio Maryja, I couldn't cope."

## Floating Casino Rescues City That Was Sinking

Riverboat Has Put East St. Louis on a Roll

By Brett Pulley  
New York Times Service

**EAST ST. LOUIS, Illinois** — The Casino Queen riverboat arrived here five years ago, docking along the grimy riverfront of what was then the epitome of a dying American city.

Raw sewage backed up into the streets. Piles of trash shared the landscape with vacant and burned-out buildings. Murders were rampant, and there was not enough money to buy gas for police cars. The city's debt was so high that when a man who was physically abused while in jail sued the city in 1990 and won, he was awarded the deed to the defendant's only asset of value: the building that housed City Hall.

"I drove into town at night and missed the exit off the highway because there were no lights on downtown," recalled Cheryl Childress, who after leaving East St. Louis 30 years earlier returned to her hometown in 1993 to become the casino's human resources director.

The arrival of the casino changed much of that. While many regions have turned to casinos to invigorate languid economies, perhaps no other city in the nation has become so quickly reliant on casino revenue — and avoided imminent extinction — simply by opening a place where people could gamble legally.

Over the last five years, the Casino Queen, now second only to the local hospital as the largest employer in East St. Louis, has brought 1,200 new jobs to this predominantly black city of 42,000 people just across the Mississippi River from St. Louis. Today, nearly 30 percent of the city's operating budget comes from tax revenue generated by the casino.

"With my city, it's the lifeblood," Mayor Gordon Busb said of the four-story, side-wheeler gambling boat that cruises in the shadow of the famed Gateway Arch in St. Louis. "If I take away a month of revenue from the casino, I start missing paydays for city workers. We fall on our backs without that money."

As casino gambling has spread across the country, the verdict on whether it ultimately hurts or helps communities is still out. A presidential commission is expected to report next June on the effect that the proliferation of casinos and other forms of gambling have had on the nation.

The economic advantages of casino gambling are profoundly evident in places like the Gulfport region of Mississippi, where 62 percent of the 18,000 new jobs created since 1990 were at casinos, as well as in Joliet, Illinois, where two riverboat casinos pay the third and fourth largest amount of property tax in the city.

But in East St. Louis, the impact of casino gambling has been dramatic. Once a strutting blue-collar town of stockyards, meatpacking plants, railroads and after-hour nightclubs, the city began to decline when its industries stumbled in the 1960s. Its population — 82,000 in 1960 — dwindled as many white residents moved out. So precipitous was the decline that by the time the state approved a license for the Casino Queen to open in 1993, few residents opposed bringing legalized gambling to their community.

"Even the ministers who don't like gambling have not been openly negative about it," said Mr. Busb, a burly, 55-year-old retired army lieutenant colonel who has already announced plans to seek a third term next year.

East St. Louis is still one of the poorest cities in the United States, however, and not everyone here is so

sanguine about the gambling boat. Boarded-up buildings still line many streets. And although half of the casino's jobs have been filled with city residents, the unemployment rate here remains above 10 percent, and could be much higher because many of the chronically unemployed are excluded from the count because they are no longer looking for work.

The most commonly heard grievance is that the casino has used enough local people or used enough local vendors. But few people, even the leaders of the city's more than 100 churches, have been ardently opposed to the casino itself.

The direct impact of the casino, as well as its ripple effect, is significant, however. The city has used the approximately \$9 million it receives in casino tax revenue annually to begin to reverse its long decline. Broken sewers have been repaired, streets have been paved and more than 1,200 derelict buildings have been demolished.

The city's police force has nearly doubled, and now has 98 officers. The number of patrol cars has also doubled, to 73. Officers now have full medical coverage; several years ago, police officers had to pay their own medical bills when they were wounded.

Crime has decreased in most of the nation's cities, but the rise in police protection here has led to an especially large drop. The number of murders peaked in 1991 at 68, but so far this year there have been only 14. Firefighters now have more than \$1 million in new equipment, while their ranks have increased by 35 percent, to 60.

More important to the city's sustained survival is that the estimated 3 million people who visit the casino each year actually venture into East St. Louis, where people once feared that they were gambling with their lives if they visited. Casino and police officials note that no serious crimes have occurred in or near the casino despite the influx of visitors. This, many people here said, is changing the city's reputation and causing other businesses to consider developments in East St. Louis.

## Hope on Horizon As Spain Fire Rages

The Associated Press

**BARCELONA** — Firefighters hoped for cooler and wetter weather Tuesday to help them extinguish a fire that has torched an estimated 22,000 hectares of forest and crop land in Spain's northeastern Catalonia region.

Two-thirds of the 55,000 acres affected was forest, a regional fire department spokeswoman said, while the remainder was farm and scrubland. The spokeswoman said firefighters were encouraged by weather forecasts of showers, reduced temperatures and wind changes.

The daily high temperature in much of Spain has been about 38 degrees centigrade (100 Fahrenheit) for more than a week.

The blaze, centering around an area 100 kilometers (60 miles) northwest of Barcelona, has forced the evacuation of some 600 vacationers from campsites, country houses and holiday complexes. There were no new reports of evacuations Tuesday.

About 2,000 people have been battling the fire that started Saturday. Its cause has yet to be determined.

## New Health Chief Can Look Beyond UN for Talent

By Barbara Crossette  
New York Times Service

**UNITED NATIONS, New York** — To mark a long-awaited change in leadership at the World Health Organization on Tuesday, the Rockefeller Foundation will provide a \$2.5-million fund to the new director-general, Gro Harlem Brundtland of Norway, to aid her in recruiting top experts over the next two years.

Dr. Brundtland, a former Norwegian prime minister and a physician who studied public health at Harvard, plans to revamp the upper-level management of the organization, its spokesman said Monday.

The Rockefeller grant was designed to give Dr. Brundtland the means to bring outsiders into the UN agency temporarily as expert advisers during a transition period of 12 to 24 months.

Officials assuming control of UN agencies often complain that they are frustrated by the bureaucratic or political restraints when taking over agencies imposed by the organization's slow-moving, politically sensitive personnel system.

"This fund is a way of helping her get going, to bring fresh people and fresh ideas into the institution," said Lincoln Chen, vice president of the Rockefeller Foundation. "Essentially, she would have the freedom to draw the best talent in the world."

The foundation's president, Gordon Conway, is to announce the award in Geneva later this week.

The Rockefeller Foundation, one of a number of private foundations that give grants to United Nations programs and agencies, has been supporting health projects for 85 years, said Mr. Chen, who is on leave from the same public health school that Dr. Brundtland attended.

On Tuesday, Dr. Brundtland announced the creation of a cabinet system for the organization, with nine officials

assigned to major contemporary health issues, including environmental problems, family health issues, health technology and drug policies, the effects of social change on mental health, communicable diseases and noncommunicable diseases.

Cabinet-level officials will also deal with management problems, said Richard Leclair, the organization's spokesman.

Dr. Brundtland succeeds Hiroshi Nakajima of Japan, whose two five-year terms as director-general of the World Health Organization were marked by repeated reports of mismanagement, corruption and political favoritism as nations angled for good positions in the organization.

Health experts of a number of dif-

ferent nationalities who have worked with the organization say that political considerations often skewed medical priorities and decision-making.

The Rockefeller grant is likely to provoke some criticism from those member nations that do not approve of UN agencies' having the power to reach outside the system for high-level advice. This is exactly what the Rockefeller Foundation aims to encourage the World Health Organization to do.

When she was elected to the position of director-general early this year, Dr. Brundtland said she was not afraid of mixing her political skills with health concerns.

She said that using her political experience will make her a better advocate for health projects. Health concerns

have their political dimensions, she said.

"Ill health leads to poverty in individuals, populations and nations," she said. Medical problems no longer know borders, she added.

Dr. Brundtland was elected to the leadership of the World Health Organization, which is based in Geneva, by barely half the votes of the 32-member board.

After the vote she was asked at a news conference in Geneva what it would be like to be the first woman to be director-general. She said that when she became prime minister of Norway she was the first woman to hold that job in 1,000 years.

"Things are evolving gradually," she said.

## TRAVEL UPDATE

## Mass Strike in Greece

**ATHENS (AP)** — A 24-hour nationwide general strike set for Thursday threatens to paralyze Greece, with mass transit workers and Olympic Airways employees walking off their jobs.

State-run banks, post offices and the telephone company will shut for the day as part of the protest against government austerity measures aimed at bringing economic indicators in line with those in the rest of the European Union.

Trains will not run for the entire day. Olympic Airways will strike for three hours, starting at noon, and public buses and trolleys will not run for three hours in the early morning and late evening.

## 2d Day of Spain Action

**MADRID (Reuters)** — Spanish airport workers, who have threatened to stage a nationwide strike in 10 days at the busiest travel time of the year, continued a work slowdown Tuesday to

force negotiations. The slowdown began Monday and has caused longer delays than usual and some flight cancellations in Madrid and other airports across the country.

Airport workers have called a three-day strike to begin on July 31 — the start of the busiest travel season in Spain. Most people in the country take their summer vacations in August.

A strike by 270 pilots of the Norwegian domestic airline Wideroe ended Tuesday after their union accepted a five-year wage deal. Pilots were scheduled to return to work immediately, and traffic was expected to return to normal by Wednesday or Thursday, Wideroe said. (AP)

The German air carrier Lufthansa and Air New Zealand are offering co-sharing on flights to Auckland and Christchurch. Lufthansa said Tuesday. It said passengers can fly from Frankfurt to Christchurch daily. (AFP)

More sandstorms were expected to hit the United Arab Emirates on Tuesday following a day of violent sandstorms, officials in Dubai said. Thunderstorms and temperatures up to 45 degrees centigrade (113 degrees Fahrenheit) also were expected. (AFP)

## WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe				Asia			
City	High	Low	Forecast	City	High	Low	Forecast
Algeria	31/28	22/15	23/21	Algeria	31/28	22/15	23/21
Amsterdam	21/17	14/10	15/12	Amsterdam	21/17	14/10	15/12
Athens	30/21	23/17	24/21	Athens	30/21	23/17	24/21
Batavia	26/19	20/15	21/18	Batavia	26/19	20/15	21/18
Bombay	32/28	24/20	25/22	Bombay	32/28	24/20	25/22
Buenos Aires	27/18	15/10	16/13	Buenos Aires	27/18	15/10	16/13
Calcutta	32/28	24/20	25/22	Calcutta	32/28	24/20	25/22
Cairo	32/28	24/20	25/22	Cairo	32/28	24/20	25/22
Chennai	32/28	24/20	25/22	Chennai	32/28	24/20	25/22
Colombo	32/28	24/20	25/22	Colombo	32/28	24/20	25/22
Dakar	27/18	15/10	16/13	Dakar	27/18	15/10	16/13
Dhaka	32/28	24/20	25/22	Dhaka	32/28	24/20	25/22
Delhi	32/28	24/20	25/22	Delhi	32/28	24/20	25/22
Dubai	32/28	24/20	25/22	Dubai	32/28	24/20	25/22
Guangzhou	32/28	24/20	25/22	Guangzhou	32/28	24/20	25/22
Hanoi	32/28	24/20	25/22	Hanoi	32/28	24/20	25/22
Hong Kong	32/28	24/20	25/22	Hong Kong	32/28	24/20	25/22
Jaipur	32/28	24/20	25/22	Jaipur	32/28	24/20	25/22
Kolkata	32/28	24/20	25/22	Kolkata	32/28	24/20	25/22
London	21/17	14/10	15/12	London	21/17	14/10	15/12
Los Angeles	27/18	15/10	16/13	Los Angeles	27/18	15/10	16/13
Manila	32/28	24/20	25/22	Manila	32/28	24/20	25/22
Medan	32/28	24/20	25/22	Medan	32/28	24/20	25/22
Mumbai	32/28	24/20	25/22	Mumbai	32/28	24/20	25/22
Nairobi	27/18	15/10	16/13	Nairobi	27/18	15/10	16/13
Paris	21/17	14/10	15/12	Paris	21/17	14/10	15/12
Peking	32/28	24/20	25/22	Peking	32/28	24/20	25/22
Rangoon	32/28	24/20	25/22	Rangoon	32/28	24/20	25/22
San Francisco	27/18	15/10	16/13	San Francisco	27/18	15/10	16/13
Singapore	32/28	24/20	25/22	Singapore	32/28	24/20	25/22
Sourabaya	32/28	24/20	25/22	Sourabaya	32/28	24/20	25/22
Taipei	32/28	24/20	25/22	Taipei	32/28	24/20	25/22
Tokyo	32/28	24/20	25/22	Tokyo	32/28	24/20	25/22
Yokohama	32/28	24/20	25/22	Yokohama	32/28	24/20	25/22

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## THE AMERICAS

## Clinton and Congress Gear Up for New Fight Over Taxes and Spending

By Richard W. Stevenson  
New York Times Service

WASHINGTON — Just a year after President Bill Clinton and the Republican leadership completed a bipartisan balanced-budget agreement, the two sides are again headed toward a showdown over taxes and spending.

Republicans have eviscerated Mr. Clinton's proposals for education, the environment, job training and child care, among other programs, continuing their assault on what they consider excessive government spending. Already, the administration has issued seven veto threats against spending bills working their way through the House and Senate.

Bucked up by projections showing that the federal budget surpluses will be even bigger than Congress had expected, Republicans have stepped up their calls in recent days for a big tax cut. In doing so, they are defying Mr. Clinton's demand that any surpluses be placed off limits until the two parties settle on a plan to shore up Social Security, the public pension plan.

With both parties eager to emphasize their differences heading into the autumn congressional elections, White House officials and Republican leaders are bracing for a confrontation in late September and early October, when Congress will be trying to wrap up its work for this year and allow members to head home to campaign.

"We certainly hope we can avoid the kind of crisis we've had in the past," a senior administration official said. "But I must say, looking at where we're going, at the moment it appears that whether we want a conflict or not, we're headed toward some degree of conflict."

To some extent, the battle is ritualistic, with the White House and Republicans, especially those in the House, playing out roles that have become familiar over the last few years. Hard-line rhetoric is likely to give way to a degree of pragmatism when it comes time to negotiate in earnest.

Republicans remain divided among themselves about how hard to push for deep tax and spending cuts, with moderates in the Senate balking at the plans being pushed by economic and social conservatives in the House. And having

been blamed for shutting down the government after their standoff with the White House in 1995, Republicans have proved willing since then to grant the president some of what he wants to avoid gridlock and Democratic charges of extremism.

For his part, Mr. Clinton has proved adept at casting compromise as victory.

Still, neither party is shying away from a fight. Republicans are seeking to energize conservative voters — those most likely to turn out on their behalf in November. Democrats believe that they have positioned themselves well on critical issues, including improving education and child care and defending the environment and Social Security.

The squabbles over tax and spending priorities come against a backdrop of broader partisan struggles over social and economic issues like assuring quality health care, curbing smoking and limiting abortion. With tension also running high because of the independent counsel's investigation of Mr. Clinton, the bipartisan spirit that was briefly evident at the time of the budget deal is nowhere in evidence.

The administration's veto threats on the spend-

ing bills encompass a wide range of issues. The White House wants more money than the Senate is providing for the Interior Department's environmental and Indian programs and for the Energy Department's energy-conservation efforts.

It objects to the House's termination of one of Mr. Clinton's pet projects, the Americorps national service program.

Mr. Clinton lashed out at the House version of the bill financing education, job training and child care last week, saying Republicans were "turning their backs on America's young."

Dick Arney, the Texas Republican who is the House majority leader, said that Mr. Clinton was again showing "a high predilection for discretionary social-spending programs" and that Congress would head off the White House's creeping attempts to expand government.

"I would characterize it as the same old debate in a new context," Mr. Arney said, referring to the turnaround from huge budget deficits to the prospect of equally big surpluses in coming years.

"The context is in our favor," he said. "I believe we can accomplish a great number of

things for the American people, including a tax cut, and it will be very nearly impossible for the Democrats to vote against it and the president to veto it in that context."

The growing estimates of the size of the federal budget surplus are reshaping political calculations. Even if the two sides can compromise on the spending bills, conservative Republicans, particularly in the House, seem intent on forcing a confrontation over taxes this year.

The most immediate catalyst was the Congressional Budget Office's report last week concluding that the surplus over the next decade would be about \$1.6 trillion, more than double its estimate of just a few months ago.

So emboldened are Republican tax-cutters by the surplus projections that they are sure they can defy Mr. Clinton's demand that the surplus be off-limits until Congress and the White House settle on a plan to deal with the Social Security system's looming problems. Fear of being portrayed as putting tax cuts ahead of saving Social Security has left many Republicans wary until now of pushing for a big tax reduction.

## Cruise Ship Fire Creates Titanic Scare

But Few Are Injured in 'Explosive' Blaze Attributed to Welder's Spark

Compiled by Our Staff From Dispatches

MIAMI BEACH — Authorities expressed relief Tuesday that a fire aboard the giant cruise ship *Ecstasy* did not become a Titanic-size tragedy, while passengers recalled their fear when the cruise to Mexico turned into a smoky ordeal.

With the *Ecstasy* just two miles (about three kilometers) from shore, fire broke out Monday afternoon in a crew laundry room. Soon, flames were shooting from an open deck on the rear of the ship and many of the 2,575 passengers were on the main deck, wearing orange life vests.

At a news conference Tuesday, Bob Dickinson, the president of Carnival Cruise Lines, the ship's owners, said that a welder's spark in the laundry room had raced through an air duct and caused an "explosive-type" fire.

The fire on the second deck quickly spread to two decks above and the outside mooring area, where a nylon rope fed the flames, Mr. Dickinson said. "There was welding going on in an area of the laundry room," he said, and alarms sounded there.

Earlier, Mr. Dickinson had said that "within a minute's time, the fire doors in that area of the ship totally isolated that part of the vessel."

Crews, aided by other boats spraying water at the stern, needed about three hours to put out the fire.

The dramatic scene could be seen from the beachfront and was broadcast

live on television. The 10-deck ship, which also had more than 900 crew members aboard, was bound for Key West, Florida, and Cozumel, Mexico.

About 60 people were injured in the fire, most of them suffering from smoke inhalation. At least 14 people were taken to four hospitals; four were admitted in stable condition — two seamen suffering from smoke inhalation and one seaman and one passenger suffering from chest pains. The other 10 people were treated and released.

"My wife opened the door, and the smoke was so thick she couldn't even see," said Edmund Thomas of Buffalo, New York, who was on the four-day cruise with her and their three children. "She tried to get the life jackets, but she couldn't. And me and my kids were without life jackets so that's what was scary."

"We don't know if we have anything left," said another passenger, Robert Bookstein of Washingtonville, New York. "We walked out in the hallway and saw the smoke. We had enough time to get dressed, and we just made it."

"It wasn't that noticeable at first," said one passenger, Sumpter Flakes, 56, of Fort Lauderdale, Florida. "One of the other passengers said the ship was on fire, and we still didn't believe it."

His brother, Robert Flakes, 62, of Tallahassee, Florida, said: "The fire was a lot more intense and widespread than we ever imagined while we were

on the boat."

Many of the passengers assembled calmly on the main deck at the front of the 855-foot (360-meter) liner. No lifeboats were lowered into the water.

A tugboat pulled the 70,367-ton (63,837-metric ton) ship back to the Port of Miami, trailed by three boats spraying water on the lower levels. Crews worked on cooling down hot spots before the ship got to shore.

The ship moored at the Port of Miami early Tuesday, and passengers boarded buses for hotels. Mr. Dickinson, Carnival's president, said the passengers would receive a full refund and a free cruise.

Investigators from the National Transportation Safety Board and the U.S. Coast Guard marine safety unit boarded the ship early Tuesday to inspect the blackened stern section and question crew members.

Robert Francis, the safety board's vice chairman, said that part of their work would be "an evaluation of how the crew reacted and how the fire was dealt with."

A Coast Guard lieutenant, Dennis Sechoas, said Carnival had initially told him the crew was dealing with a small fire and did not need help.

The Coast Guard first saw the smoke coming from the rear of the *Ecstasy* and radioed the ship, a petty officer, Jeff Murphy, said. Residents in Miami Beach high rises Beach also telephoned the Coast Guard. (AP, Reuters)



Crew members inspecting the fire-scarred stern of Carnival Cruise Line's *Ecstasy* after the ship was towed Tuesday to the Port of Miami.

## Crossing the U.S.-Mexico Border — the Tale of a Global Village

By Deborah Sontag  
New York Times Service

CHINANTLA, Mexico — In the dark before dawn, when the priest bumped his pickup truck through the small town of Chinantla, Mexico, to wake everyone up, Monica Cruz groaned and put her pillow over her head.

In New York City, as the assistant manager of a store, she enjoys daylong access to cappuccino. Here in her dusty little hometown, there is not a cup of coffee to be had.

Still, Miss Cruz, who is 30, gave in to the priest's exhortation by loudspeaker, eased on her black sateen jacket and headed toward the town cemetery with her oversized candle. Other New Yorkers were slipping into the predawn stillness, too: a busboy from the Friars Club, a nurse from St. Luke's-Roosevelt Hospital Center, a maid from the Warwick Hotel.

Under a crescent moon over adobe, they felt blissfully far from their daily grind, their hillingal negotiations with the place Chinantla calls simply "over there."

For the town's patron saint, Padre Jesus of Chinantla, purveyor of miracles that transcend borders, this was his day; he had brought them back from New York City by the hundreds, as he does every year, for a week of fiesta.

"Sometimes I think we all have too much love for this tiny town," Miss

Cruz, a native New Yorker, said later, as she lounged with her three younger sisters — Elizabeth, Melissa and Antonia — at their parents' grand brick and marble house, paid for by tens of thousands of floors mopped, orders cooked and garments sewn in New York City.

Almost every migration story is the psychodrama of a family, its aspirations and frustrations. For the Cruz family of Chinantla, Mexico, it is also the story of a town, a global village in the most literal sense.

Like many modern immigrant families, those from Chinantla straddle a border, abetted by newly inexpensive airfares, international phone cards and, now, by a new Mexican law that allows them to retain their Mexican nationality as U.S. citizens and even confers it on their U.S.-born children. They live divided, 2,500 in Chinantla, 2,500 in New York, but consider themselves one group.

In New York, the first-generation Chinantecan immigrants are waiters and garment workers and bus mechanics. Back home, they are big shots. They are the ones who, working out of a basement in Brooklyn, collected the money that built the town's schools and rebuilt its church, who financed and designed its potable water system and illuminated its streets.

The sons and daughters of peasants who sign their names with ink thumbs, they are also the ones whose children are almost all headed to college, in

college, or graduates. Every January and every summer, their children and grandchildren fill the town square with English, baggy shorts sweeping their knees. Cries of "Wassup?" float through the hot, dry air.

Many older Chinantecans keep their children's connections alive by moving back permanently to the one place where they can be somebody.

After 30 years of dislocation, Ramon and Zoela Cruz, Miss Cruz's parents, returned triumphant to an ear-in kitchen, a backyard henhouse and the sweet, bone-deep satisfaction of familiarity.

On their return, Mrs. Cruz, who spent decades folding fabric in a Brooklyn sweatshop, hired a maid. She opened a small store, from which she dispenses rice and advice.

Mr. Cruz, who dropped out of eighth grade to work the fields, bought his own land, on which he dabbles like a gentleman farmer. In crisp tailored shirts and Bermuda shorts, he is Don Ramon to all, no longer a cook but a candidate for mayor of Chinantla.

But the Cruz sisters live in a little Chinantla in an ultra-Orthodox Jewish community in Brooklyn. Almost all the tenants in their graffiti-scarred building are Chinantecan; they shop for tortillas

around the corner at La Chinanteca.

In Chinantla, where the sisters visit at least once a year, they have their own rooms, with queen-size beds and frilly comforters. In Brooklyn, where their parents visit them every six months, three of the four split a \$700-a-month, one-bedroom apartment.

Monica and Melissa Cruz, grown women, share a flimsy mattress on a metal frame in a makeshift room separated from the kitchen by a curtain.

Books and papers are piled high; both women are studying for master's degrees. Monica in political science, Melissa in advanced nursing.

The real bedroom, where their parents used to sleep, now belongs to Antonia, 24; her husband, Claudio Bizarro, a busboy; 6-month-old Brandon, and Samantha, a kindergarten with pig-tails.

Fifteen blocks away, the fourth sister, Elizabeth, 29, a bilingual education teacher, her husband, Cuauhtemoc Tlatelpa, a cook who aspires to be an architect, and their 2-year-old son live in the renovated basement of an Orthodox family's house.

Bilingual and college-educated, the Cruz sisters have better jobs than their parents ever did, with paid vacations,

sick leave and health benefits. But, U.S. citizens all, they still live like new immigrants, crowded together, squirreling away money for the future.

It is no wonder they remain attached to Chinantla, a place of winter fiestas and summer vacations, of comfort and pride. "In New York, Daddy was a cook," Monica Cruz said. "In Chinantla, he's 'the man.' And we're his daughters."

The New York-born Chinantecans, who spent part of their childhood in Mexico living with their grandparents, are not conflicted about their identities. They know instinctively that their attachment to Chinantla is healthy, that it gives them a rich identity, and a keen, even enviable sense of community in New York City.

While they all idealize Chinantla, most of the young people know in their guts that it would be difficult to live permanently in such a small, conservative society.

"This is my favorite spot in the world," Monica Cruz said. "I count the days until my next trip down here. But I'm afraid I've outgrown it a little."

Earnestly, her sister Melissa says that if she had to make a choice, she would rather live a tranquil life in Chinantla. In the next breath, though, she acknowledges that her loyalty will never have to be put to the test.

"We're lucky," she said. "We really don't have to choose between here and there."

## Calling for Safer Schools, Clinton Asks Teachers' Aid

NEW ORLEANS — Saying safer schools are "central to the mission of renewing America," President Bill Clinton urged the nation's second-largest teachers union to help him promote greater use of school uniforms, curfews and old-fashioned crackdowns on truancy.

Mr. Clinton also announced Monday that he would convene a school safety summit meeting at the White House in October that will feature residents of communities hit by a rash of school shootings in recent months.

"Now teachers can't teach if they have to fight for respect or fear for their safety. Students can't study if there is disorder in a classroom," he told several thousand cheering members of the American Federation of Teachers. "You know better than any one that we either have discipline in a classroom or we have disorder — and too often, danger."

Mr. Clinton said new statistics showed that three out of four students said they had had trouble with disruptive classmates and that 81 percent of teachers said undisciplined students were taking up most of their time.

At the Oct. 15 conference, Mr. Clinton hopes to receive what aides call the "First Annual Report

## Democratic Fund-Raiser Pleads Guilty in U.S. Probe

WASHINGTON — A veteran Democratic fund-raiser, Howard Glickman, has agreed to pay \$120,000 in penalties and cooperate with the Justice Department's probe of campaign finance abuses after pleading guilty to soliciting money from a German developer.

Mr. Glickman, a Miami business executive and friend of Vice President Al Gore, admitted Monday that he had solicited a \$200,000 contribution from a foreign national in 1993 for the Democratic Senatorial Campaign Committee.

He also admitted suggesting that the foreign national, who could not legally donate to U.S. campaigns, make the contribution in the name of a legal donor. Judge Henry Kennedy Jr. of U.S. District Court set sentencing for Nov. 24. Mr. Glickman declined to comment.

On School Safety," which is to spotlight local success stories and offer an analysis of school crime data from across the country.

The president has wrangled with the Republican-led Congress, which has killed much of his education agenda, and Democrats maintain that the issue will be one of their most salient in the autumn campaigns.

## Free Travel for Congress Estimated at \$6.4 Million

WASHINGTON — Corporations, trade groups and other outside interests spent \$6.4 million last year on trips for members of Congress and their staffs, according to records compiled by the Center for Responsive Politics.

The group, which studies the influence of money in politics, built a computerized database of congressional travel disclosure forms (www.crp.org). House and Senate rules permit members, staffs and spouses to accept free travel from outside groups as long as it relates to congressional business. The majority Republicans got \$4.1 million of the travel.

## Quote/Unquote

Robert Gellman, an information policy consultant in Washington, giving his views on a government plan that would give every American a lifetime health-care ID number: "Once everyone's required to use a government-issued health identification card, it may become impossible for any American citizen to walk down the street without being forced to produce that card on demand by a policeman." (AP)

## Samper Acknowledges Gifts From Cali Cartel

BOGOTA — President Ernesto Samper has publicly conceded that his 1994 election campaign was partly financed with drug money but insisted that he knew nothing about it at the time.

It was one of his most public admissions to date about the so-called narco-scandal that rocked his administration from the outset and at its height threatened to topple him from power.

"We have seen how drug money has financed violence and corrupted our institutions," Mr. Samper said in a speech Monday to inaugurate a new Congress.

"I was a victim," he said, emphasizing that he was innocent.

Mr. Samper's campaign manager and treasurer were convicted and jailed for accepting about \$6 million in donations from the notorious Cali drug mob into the 1994 campaign coffers.

But Mr. Samper, who leaves office on Aug. 7, was cleared of all wrongdoing in 1996 after a congressional inquiry dominated by his party.

## Away From Politics

• A woman was sentenced in San Diego to death for the murder of her 4-year-old niece, who was mistreated for months before being scalded to death in a bathtub. The judge accepted the jury's recommendation that Veronica Gonzales, 29, be put to death for the 1995 killing. (AP)

• Racially motivated abuse against children at a camp in Arkansas is alleged in a \$15 million lawsuit against the Kiwanis Club of Memphis, Tennessee, sponsor of the trip, and the Boy Scouts of America. Most of the Memphis campers are black and the camp officials white. (AP)

• A woman and two of her children died in a Cincinnati fire that apparently started after they went to bed with candles burning. The family had been using candles after storms knocked out electricity to the apartment. (AP)

• A Los Angeles man was fined \$5,600 in fines for taking a 6,000-year-old seashell from Santa Rosa Island in California. The U.S. District Court levied the fine against Robert Bredin for removing an artifact from an ancient Indian site. He got a year's probation and was banished for a year from Channel Islands National Park. (AP)

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## ASIA/PACIFIC

## BRIEFLY

## Taiwan Applauds U.S. Resolution

TAIPEI — Taiwan expressed satisfaction Tuesday over a resolution passed by the U.S. House of Representatives in support of the nationalist island.

"We are very much pleased about the overwhelming approval of the resolution," the Taiwan government said in a statement.

In a vote of 390 to 1, the House on Monday reaffirmed its commitment to arm Taipei and called on President Bill Clinton to require Beijing to renounce publicly any use of force to reassert control over Taiwan. The Senate approved a similar measure earlier this month.

(AFP)

## Aid Groups Criticize Kabul Over Closings

GENEVA — Nongovernmental aid agencies reacted angrily Tuesday to the Taliban militia's forced closure of their offices in Kabul, warning that the move would bring suffering for the Afghan population.

The Islamist militia has ordered foreign aid workers out of their current premises in the city and told them to base themselves in a compound without water or electricity, an instruction many aid workers have defied. Nearly 20 aid agencies have had their offices closed.

A spokeswoman for the UN High Commissioner for Refugees, Judith Kumia, said: "The situation for aid workers in Afghanistan has become even more difficult over the past few days. This will inevitably have a detrimental effect on the 400,000 people in Kabul who have been benefiting directly from the NGO's assistance programs."

(AFP)

## Traffic in Children Up

BANGKOK — Trafficking in children is increasing in Southeast Asia, with most of the victims being used by prostitution and begging rackets, the International Labor Office said Tuesday.

Most of the children were being taken to Thailand, usually from neighboring Burma and Cambodia, it said in a statement.

Some 80,000 women and children had been brought into Thailand to work as prostitutes since 1990 and some 30 percent of foreign prostitutes here were under the age of 18, the group said, citing a study it had carried out before a three-day meeting on the subject in Bangkok beginning Wednesday.

(AFP)

## Suharto House Delay

JAKARTA — Mounting outrage has forced the Indonesian government to delay a decision to allocate 26.6 billion rupiah (\$1.8 million) to a retirement mansion for former President Suharto, a governing party lawmaker said Tuesday.

"The funds will be used for other purposes," Paskar Suteza of Golkar told a parliamentary session.

State Secretary Akbar Tanjung defended the outlay Tuesday. He told angry lawmakers that the allocation for the house in Puri Jati Ayu in East Jakarta was "normal for someone who had served the country for 32 years."

(AFP)

## WAVE: Death Toll at 1,200

Continued from Page 1

Mr. Skate, who has declared a state of emergency, appealed to other countries for help — for doctors, food and building supplies.

Supplies of fresh water also were running low. Japan said it was sending a team of 11 doctors and nurses that would arrive Wednesday while France said it would send aid worth \$110,000.

In a scene repeated along the coast, dozens of traumatized patients lay in makeshift beds on the grass outside emergency medical centers and hospitals.

With faces grossly swollen or broken limbs heavily bandaged or plastered, survivors sheltered on stretchers under tarpaulins or plastic sheets.

Many survivors had pneumonia after spending hours in saltwater, or had become infected with more common tropical diseases such as malaria.

"They all have fevers because they all have cuts somewhere on the skin and they are all infected and we don't have any antibiotics," said an Australian doctor at Sissano, Les Thompson.

At least seven villages were destroyed. The tsunami was caused by an earthquake that registered 7 on the Richter scale, followed 20 minutes later by a second quake that registered 5.7.

Relief workers said it was clear that the waves swept away far more children than adults.

Nick Mengkai, who lost his wife and two youngest of his four children, said: "I could feel the waves hit me on the legs and knock me on the head. I went down and kept rolling."

"Our lives were about to finish," he continued, "but we thought of God the Father and then we struck land and came up to the surface of the water and struggled to help ourselves."

Those less lucky were buried high into the mangrove trees and wrapped around stumps. Their bodies still hung on Tuesday, horribly swollen and yellowed beyond recognition.

Officials said they were confident all the injured had been coaxed down from the bush where they fled in terror.

(Reuters, AP, AFP, NYT)

See our Education every Monday in The International

## Linchpin in Cambodia

Prince Campaigns in Key but Violent District

VIENNA — LUONG, Cambodia — Prince Norodom Ranariddh, the deposed first prime minister, took his election campaign Tuesday to a district that human rights workers call the most notorious in Cambodia.

Rights workers say the Thbun Krum district in Kompong Cham Province has the worst record for voter intimidation and violence, but Prince Ranariddh said he was not afraid.

"I'm not scared of dying," he said. "There's insecurity not just in this area but throughout the country. I'm not worried about my own safety but my people's. If I were afraid of dying I wouldn't need to come here, but I have to take the risk."

Ousted by Hun Sen, second prime minister, a year ago, Prince Ranariddh drew about 3,000 enthusiastic people to a rally in Thbun Krum.

At least three children and one woman were slightly injured when the crowd surged forward to catch a glimpse of the prince as he arrived.

"The head of our village tried to stop people from coming, but they came anyway," said a farmer at the rally.

Kompong Cham Province, northeast of Phnom Penh, is the most populous in Cambodia, and 18 seats are at stake in the election Sunday, the most of any province.

The province is seen as a stronghold of the government leader, Mr. Hun Sen, and his powerful Cambodian People's Party. Mr. Hun Sen was born in the province, and his brother, Hun Neng, is governor.

But in Cambodia's previous election, in 1993, Prince Ranariddh's royalist party won 10 seats in Kompong Cham, while the People's Party won only six.

Human rights workers report a steady stream of abuses and killings in Thbun Krum district, which is in the heart of Cambodia's rubber-growing region.

"It's a fiefdom run by people with important political connections," a rights worker said. "People with the guns and money run the whole show."

Opposition parties and rights groups

hold local officials linked to the People's Party responsible for countless reports of voter intimidation and some violence in recent weeks.

In the aftermath of Prince Ranariddh's ouster, United Nations officials said security forces controlled by Mr. Hun Sen's party were responsible for killing nearly 100 people, most of them supporters of the prince.

The UN office for human rights said Sunday that it was investigating 13 additional killings since late May that were thought to be political.

With so many seats up for grabs in Kompong Cham, rights workers say it is no surprise the province has such a poor rights record. "There's an awful lot at stake here," one said. "The CPP lost it last time and I'm sure they don't want to let that happen twice."

The third main contender in the election is the party of former Finance Minister Sam Rainsy.



A Buddhist monk in front of the logo of Sam Rainsy's party at a rally Tuesday east of Phnom Penh.



Supporters of Prince Ranariddh holding the flags of his royalist party in Kompong Cham Province on Tuesday as they awaited his arrival.

## Front-Runner in Japan Borrows Rivals' Ideas

TOKYO — Foreign Minister Keizo Obuchi stoked his image Tuesday as front-runner to be the next prime minister of Japan, co-opting major policy ideas from his two rivals.

Mr. Obuchi buttressed earlier policy statements by putting top priority on fixing Japan's bad-loan mess — lifted from the veteran politician Seiichi Kajiyama — and vowing to overhaul the pension system — invading the turf of Health Minister Junichiro Koizumi.

With his new manifesto, Mr. Obuchi, the governing Liberal Democratic Party's establishment candidate, sought to appear the best all-round man for the job, adding to his credentials as the only candidate to specify how much he would cut taxes and the only one with a track record in diplomacy.

He donned the mantle of front-runner for party president, and thus prime minister, just as domestic media said he had the early lead in the head count for the party vote Friday.

The daily Yomiuri Shimbun said Mr. Obuchi appeared to have sewn up about 170 of the 207 votes needed, outstripping Mr. Koizumi's 90 and far ahead of Mr. Kajiyama's 60. The newspaper said the race was still in flux, however, as 90 votes were undecided or unclear.

Separately, a key supporter of Mr. Koizumi, 56, told reporters the health minister had at least 105 votes.

The three are vying to replace Prime Minister Ryutaro Hashimoto, who is resigning over the Liberal Democrats' disastrous showing in parliamentary elections last week.

Mr. Obuchi, 61, added little of substance to his proposals but said: "As we rebuild our economy, it is absolutely essential that we proceed with settlement of bad loans."

His paper — issued in English as well as Japanese — said bad-loan resolution must be attacked first.

But he sought to distance himself from Mr. Kajiyama's almost obsessive focus on the financial sector by adding: "We must be careful not to make the mistake of assuming that the real economy will improve simply through the settlement of bad loans."

Mr. Kajiyama, the 72-year-old former



Foreign Minister Keizo Obuchi at a news conference Tuesday in Tokyo.

chief cabinet secretary, has won favor with financial markets for his aggressive stance of "major surgery" on the nation's banks, forcing them to disclose more of their problem loans and set aside money based on the classifications of their expected ability to recover the loans.

He has repeatedly said Japan could do without half its present number of banks.

Mr. Obuchi, pressed on whether banks that need to fail should be allowed to fail, said only: "It can't be helped."

He also fleshed out plans to "relieve the public's anxiety" through such means as a "sweeping reform of our pension system."

In addition, he made promises regarding the nation's pension and health insurance systems, vowing to ensure that premiums paid under the Employee's Pension Insurance scheme be held under 10 of an individual's total earnings, to maintain the National Health Insurance system and enhance a planned Nursing Insurance System.

These proposals appeared to be an effort to trump Mr. Koizumi, who declared Sunday that anyone thinking the national pension system was in trouble was "absolutely mistaken."

## INDONESIA: As Millions of People Without Jobs Return to Their Villages, the Nation Is Pushed Into Upheaval

Continued from Page 1

52,500 rupiah (\$3.60) per person per month.

"No country in recent history, let alone one the size of Indonesia, has ever suffered such a dramatic reversal of fortune," the World Bank said in a report to the Indonesian government and international donors. "Social unrest has erupted and shaken to its very core the political stability of the nation. Years of development and poverty-reduction are at risk."

As unemployment and inflation soar, many Indonesians are struggling to pay for essentials such as rice, cooking oil, sugar and milk.

General Wiranto's warning followed an increasing flow of reports from dif-

ferent parts of the country of mobs raiding palm oil, cocoa and coffee plantations, and rice and shrimp farms, to steal the valuable cash crops, many of which are normally exported.

It also followed moves by groups of farmers and laborers to occupy land they say was wrongly taken from them during the 32-year rule of President Suharto, who resigned in May after a wave of demonstrations and riots.

For example, several hundred peasants have occupied part of a cattle ranch of 750 hectares (about 1,850 acres) near Bogor, south of Jakarta, that belongs to the former president. They have begun to plant corn. In the same area, local people have invaded a golf course and turned part of it into a market garden. Plantation owners on the main In-

donesian islands, Java and Sumatra, have reported night raids on their crops. "It's a big problem, and it's costing us money," said John McEwen, general manager of PT Bakrie Sumatera, which runs a 23,000-hectare (56,800-acre) palm oil plantation in central Sumatra.

While there is debate about whether the thieves are hungry villagers or organized criminal gangs, planters said that such looting was rare in the past. They say it reflects either increasing social desperation or increasing contempt for authority, or both.

Either way, the looting has damaged confidence among investors and businesspeople just when their money is most urgently needed to create jobs.

The growing rural lawlessness comes on top of repeated looting and arson

attacks at shops, factories and property owned by Indonesia's ethnic Chinese minority. These attacks have disrupted the distribution of basic goods.

"This is all very negative for the economy," said Sofyan Wanandi, the chairman of the privately owned Gemala group of companies. "There seems to be no law or law enforcement in Indonesia. No one is being punished."

Mr. Wanandi, who often acts as a spokesman for the Chinese Indonesian business community, said that ethnic Chinese were worried that the current lawlessness would descend to anarchy and lead to revolution, with the Chinese as the prime scapegoats.

Hadi Mohammad, the head of the Al Hidayat Islamic School Association, which runs dozens of schools for

Muslims in the district surrounding the village of Cipinang, said that many of the jobless Indonesians returning to the area from Jakarta and other cities had trouble readapting to rural life.

"Criminal activity has increased somewhat recently," he said. "Most of it is petty theft, without violence. But we are concerned that it could become more serious without government intervention."

The World Bank, in its report, calls for the government, with foreign support, to subsidize food and ensure its distribution and to create jobs through community public works programs.

The report was prepared for consideration at a meeting next week in Paris that will bring together the government and its principal foreign aid donors.

## TIMOR: Dili Hopes, Fearfully, for Peace

Continued from Page 1

man who succeeded Mr. Suharto, B.J. Habibie, offered East Timor an ill-defined "special status."

Since its annexation, East Timor has been Indonesia's greatest international embarrassment, the source of most of the complaints about its human rights record and, with its poverty and instability, a drain on the resources and energy of the central government.

No one knows whether the territory's conciliatory forces or its violent history will prevail.

"It's too early to tell what will happen," a Western diplomat said. "It could turn into a very messy situation. It depends on whether the moderate elements there have enough influence. If the boogymen win out, East Timor could be headed for serious problems."

Over the weekend Dili was a sea of ghost towns of shuttered shops and silent streets as many of its remaining residents held a stay-at-home protest to mark the 22d anniversary of Indonesia's annexation of East Timor.

But in the sea breezes of the early mornings, groups of students gathered at the gates of their university — closed for a month because of separatist disputes — to wait for the local newspaper to arrive with daily reports of progress in Jakarta.

"I'm greatly encouraged," the UN envoy, Jamsheed Marker, said recently after meeting with Mr. Habibie; the Roman Catholic bishop of East Timor, Carlos Ximenes Belo, and the territory's imprisoned independence leader, Xanana Gusmao.

"I am very optimistic that a solution can be found," Mr. Marker said, in one of the most upbeat assessments heard from an official since Indonesia invaded the eastern half of the island of Timor in 1975 and annexed it as a province the next year. He said the foreign ministers of Indonesia and Portugal had agreed to meet in New York in two weeks to try to move the talks forward.

In Dili, habits of conflict remain strong and the prospect of change seemed only to have heightened suspicions between the separatists and the army, and between indigenous residents and the Indonesian outsiders who have settled here over the past two decades, taking over some 70 percent of the urban economy.

In the past week as many as 20,000 non-Timorese residents have fled East

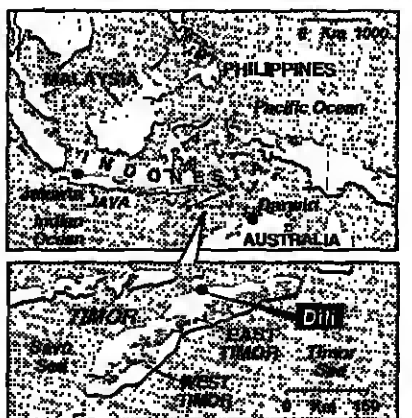
Timor, complaining of threats from mysterious black-clad "ninjas" and other thugs, though both the military and separatists disavow any link to the threats.

Trucks filled with soldiers and police officers patrolled the streets this weekend, but people said the show of force was far from reassuring.

"The last few days have been very tense, very tense," said Olandina Alves, a restaurant owner who is also a member of the provincial legislature. "The troops are in every street, showing their weapons. They say they are there to provide security, but it is the troops who make people feel insecure."

Closer to Darwin, Australia — just 650 kilometers to the east — than to Jakarta, this overwhelmingly Christian territory has little in common with most of the rest of Indonesia, a nation that is 90 percent Muslim. While the rest of Indonesia was formerly under the sway of Dutch colonialists, East Timor alone was a Portuguese colony, for 400 years.

Since Mr. Habibie's June 11 offer of a new status, East Timor has been one of the most prominent examples of the wide-ranging reforms that have swept the country since Mr. Suharto's resignation May 21. Mr. Habibie also offered to withdraw some troops from the territory and to release Mr. Xanana, who was captured in 1992 and is serving a 20-year sentence for separatist activities, as part of a deal that would include in-



ternational recognition of East Timor as part of Indonesia.

Mr. Habibie's offer was immediately rejected by East Timorese separatist leaders such as the self-exiled spokesman Jose Ramos-Horta, who together with Bishop Belo won the Nobel Peace Prize in 1996. But the offer and the rejections were just the start of accelerating negotiations.

On Thursday, Mr. Marker arrived in Jakarta from talks in Portugal about Mr. Habibie's offer, saying he had received positive signals and that "we have a chance, a good chance, at arriving at a solution."

Mr. Xanana, who received both Mr. Marker and Bishop Belo in his Jakarta prison, gave the negotiations a lift, saying the issue of his release should not slow down talks between Indonesia and Portugal.

## Pentagon Report Denies Use of Gas in Laos

The Associated Press

WASHINGTON — A Pentagon review has found no evidence to support allegations, since retracted, by CNN and Time magazine that U.S. troops used sarin nerve gas during a 1970 military operation in Laos designed to burn down American defectors, Defense Secretary William Cohen said Tuesday.

The allegations were made during a report on "Operation Tailwind" broadcast by CNN on June 7, followed by a report published in Time under the bylines of two CNN employees. But in early July, CNN retracted the story.

"We studied scores of documents about 'Operation Tailwind,' and conducted interviews with soldiers and officials at all levels of command," Mr. Cohen said. "We found no evidence to

support the CNN/Time assertions on defectors or the use of Sarin nerve gas."

"No document — military order, after-action report, briefing paper or official military history — mentions sarin nerve gas during a Tailwind mission," Mr. Cohen said. "While sarin was stored in Okinawa in 1970, we found no evidence sarin nerve gas was ever sent to or used in Vietnam or Laos."

All chemical agents stored in Okinawa during the Vietnam conflict were removed in 1971, the Pentagon said.

In its report, CNN said U.S. troops entered Laos to kill American defectors. It said the troops killed the defectors, enemy troops and civilians. U.S. aircraft dropped the sarin gas to suppress the enemy as the Americans were evacuated by helicopter, the CNN report alleged.



## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Keep Pressure on Lagos

By setting elections in Nigeria for early next year and promising a civilian government by the end of May, General Abdulsalam Abubakar on Monday pointed his country toward democracy. Unhappily, he did not remove himself or his fellow generals from power immediately, leaving open the possibility that the military will once again betray Nigeria with false promises of reform.

Since taking power after the death of General Sani Abacha last month, General Abubakar has made welcome democratic gestures. He has released a few dozen political prisoners, and on Monday he said he would free 10 more who are being held for supposedly plotting a coup against General Abacha in 1995. He has also criticized the undemocratic Abacha regime and said his cabinet would include civilians.

General Abubakar has a better reputation than some of his predecessors, but it would still be naive to trust him or his colleagues to carry out a democratic transition. His speech, originally set for last week, was probably delayed

because of dissent from generals reluctant to give up their perks. But this is no reason to let the military linger in power.

General Abacha so destroyed Nigerian politics that the country must essentially build an electoral system from scratch. But the military should not be running the transition. With the death of Moshood Abiola, the presumed winner of Nigeria's last presidential elections, there is no clear civilian leader. But General Abubakar should appoint a panel of civilians from a wide geographic and political spectrum to manage the transition and then step down.

If General Abubakar keeps the military in power until May he must be closely watched. France's announcement Monday that it will work to end the European Union's sanctions on Nigeria was premature. Many Western countries seem eager to believe in General Abubakar's good intentions.

We hope they are right. But it would be prudent to give him every incentive to fulfill his promises.

—THE NEW YORK TIMES

## War Crimes Court

The many nations that approved formation of a permanent international criminal court created an instrument to prosecute selected genocides, war crimes and crimes against humanity. The few that voted against, including the United States, can enjoy whatever benefits these proceedings may bring — without compromising their objections to some of the particulars.

Was the United States right in staying out? The Clinton administration made a decision consistent with American interests. There is some embarrassment in rejecting a court whose establishment had been an American goal for decades. But the form this court finally took did not make it possible for the United States to join.

American troops are liable to be deployed around the globe to support a variety of foreign policy interests. To ensure that these troops enjoy the requisite flexibility and are not vulnerable to mischievous political prosecutions — think of the snafu of General Manuel Noriega in Panama — is a necessary feature of American internationalism. No doubt a general emphasis on the immunity of one's own soldiers would carve out the heart

of an international court. But it appears that there are dozens of countries — although perhaps not all those considered most criminally prone — prepared to open up to its terms.

American detachment from an international court grants the United States no license for war crimes. The American political process and judicial system built in their own checks. Some nations will hide behind the American example to evade responsibility for criminal violations. But that is less reason for the United States to join than to exercise other means of deterrence and justice. These include political/military leadership and situational judicial devices such as the Rwanda and Yugoslavia war crimes tribunals.

War crimes are perpetrated not because of the absence of a particular instrument but because of a shortage of political will in the use of available instruments. And because of an excess of political cynicism: The nations defining the new court cheapened it by accepting Egypt's insistence on identifying Israel's construction of West Bank settlements as a war crime.

—THE WASHINGTON POST

## Climate Change Research

In its zeal to block a treaty that many of its members despise, the U.S. House of Representatives is in danger of also blocking useful research and discussion. Taking up an appropriations bill for the Environmental Protection Agency, the House should take a half-step back from what could amount to a counterproductive muzzle on the Clinton administration.

The issue is climate change — the danger that human industrial activity is emitting gases into the atmosphere that over time may change global weather patterns in disastrous ways. Last December, representatives of the world's nations agreed at a meeting in Kyoto, Japan, on a framework to tackle this problem. The Clinton administration supported the Kyoto Protocol but did not submit it for Senate ratification. For good reason: The treaty, in its present form, is flawed and incomplete.

But that does not mean all research into climate change should stop. The heat wave now gripping the U.S. South is no proof that global warming is real, despite President Bill Clinton's claim: no single weather event can be reliably attributed to greenhouse gas accumulation. But the accumulation is an undeniable fact, and the potential perils cannot be wished away.

President Clinton says he wants to improve the treaty before submitting it to the Senate. Many in Congress suspect he will seek to implement it piecemeal, without their approval. So the Senate would bar any administration action taken "solely" to comply with Kyoto, a reasonable restriction.

The House bill goes further, barring any action taken even "in contemplation of implementation" of Kyoto. Seminars "on policies underlying the Kyoto Protocol" would be barred. This broad language could be read to end work on pollution reduction that was going on long before Kyoto, and that would be useful whether the Kyoto treaty existed or not. It could even bar

## Other Comment

## Electronic Commerce

Keep an eye on e-commerce. That's the buzzword for all the goods and services now sold and purchased on the Internet. Business transacted on the Net, while only about 1 percent of the U.S. economy, is skyrocketing.

If e-commerce takes off as projected, with consumer sales rising 233 percent to \$20 billion by 2000, long-term investors will end up happy. But for all its Wall Street allure, e-commerce poses challenges to traditional ways of doing business, from pricing to employment.

Cities and states will have to rethink the current paradigm of economic development and taxation. Are megastores and shopping centers less essential in an e-commerce world? Can business on the Net somehow raise the same revenues for states and cities as stores and offices? Will jobs be lost? These hard questions are the thorny side of e-commerce; its rosier side is lower prices for shoppers, lower costs for businesses and more discretionary time for harried consumers.

—Los Angeles Times

## For the Moment, America the Supertanker Steams On

By Thomas L. Friedman

WASHINGTON — There was a funny political cartoon recently, spoofing the fact that nothing President Bill Clinton does seems to affect his poll ratings — as long as the stock market keeps rising. The cartoon showed a newscaster announcing that a severed head had been found in President Clinton's sleeping quarters in the White House, but with the Dow having reached a record high the U.S. public was indifferent.

Lately the whole world has started to remind me of that cartoon. I half expect the newscaster Dan Rather to begin the evening broadcast like this:

"And here are tonight's headlines: India and Pakistan leveled each other's capitals today with nuclear bombs. The Taj Mahal went up in a mushroom cloud in Moscow today. Russia declared bankruptcy and closed for business. In Asia, the Thai, Korean and Indonesian economies sank into depression, while in Japan the country's political leadership was in such a state of confusion that the main headline in one Japanese newspaper screamed: 'The People of Japan Are Home Alone.' Meanwhile, OPEC was in disarray today as the price of crude oil fell again, making gasoline much cheaper than Diet Coke. But on Wall Street, the

Dow hit a record high on expectations of higher corporate earnings...."

How long, oh Lord, how long can the United States keep thriving while everyone else is in turmoil? Is America now on another planet or what? I posed that question to Goldman Sachs' renowned market analyst Abby Joseph Cohen. Her answer: It can last longer than you might think.

Ms. Cohen argues that the U.S. economy is a lot like a supertanker. It's not the prettiest of ships, not the fastest — but once it got on the right course, once the U.S. government and leading corporations went through the necessary deregulation and streamlining to get ready for this era of rapid technological change and global markets, "this U.S. supertanker is not easily set off course, and it's the sort of ship you want to be on when the seas get rough."

Sure, the United States must care about what happens abroad, says Ms. Cohen.

After all, America is the world's largest importer and exporter. But the U.S. economy is so big that foreign trade is still only 13 percent of overall U.S. economic activity, which remains

"quite robust," notes Ms. Cohen. Moreover, U.S. foreign trade is divided pretty evenly among Western Europe, Asia and North and South America. So while Asia is on its back, Canada, Latin America and many Western European countries are getting stronger.

Also, notes Ms. Cohen, when you look into the U.S. economy you see that we Americans, for the most part, are not competing with China to sell stuffed toys or VCRs, which have become commodities. We are not even competing with Malaysia to sell basic computer chips.

An increasing portion of U.S. exports are advanced technology items or high-level services — all of which have a high value-added component and are not easily substituted by some lower-cost producer.

Moreover, what is hurting so many other countries — the fall in the price of oil and other commodities and the slowdown in Asia — helps keep inflation and interest rates low in America.

This combination of falling gas prices and interest rates has amounted to a huge tax cut for Americans, and with the U.S. economy now restructuring it can take full advantage of these lower input costs.

Japan, Germany and France, by contrast, are still hybrid economies. They have some truly world-class, restructured, globalized companies — like Toyota and Sony — but also a lot of laggards. That is why America's markets today have replaced gold as the place many people want to put their money in times of uncertainty.

So what could wipe the smile off America's face?

Everyone "event." But there really was no event that triggered 1929 or October 1987. What America is most vulnerable to is actually a subtle, collective change in mood — so that the next time the market dives, instead of lots of people buying on the dip, and therefore putting a bottom under any market fall, they sell on the dip.

Yes, there are some solid fundamentals underlying America's strength today, and those competitors and investors who underestimated them have lost a lot of money. But overestimating can be just as dangerous. "Strong" and "invulnerable" are two different things.

That is why the only thing we have to fear is the lack of fear itself.

The New York Times

## China Crows Over Clinton's New Policy Toward Taiwan

By Richard Halloran

HONOLULU — The

Chinese government has wasted little time in seeking to turn to advantage President Bill Clinton's new policy on Taiwan, which he enunciated during his recent visit to China.

Despite administration disclaimers that Mr. Clinton had broken no new ground, the record shows that he has become the first president to commit the United States to Beijing's concept on the fate of Taiwan, the island nation of 21 million people that considers itself independent but that Beijing claims is a province of China.

Shortly after Mr. Clinton left China early this month, the spokesman for the Foreign Ministry in Beijing, Tang Guoqiang, stated, "We attach great importance to these commitments."

Next, the Chinese ambassador to the United Nations, Qin Huasun, wrote a stinging letter to the UN secretary-general demanding that the question of Taiwan's admission to the United Nations be struck from next fall's agenda.

Then came a coy reminder of Beijing's claim from China's minister of science and technology, Zhu Lilan, who — on a recent trip to Taiwan — said she was "very pleased to visit the motherland's precious island." She was the first cabinet minister from the People's Republic of China to visit the Republic of China in Taiwan.

Mr. Clinton's critical disclosure came during a roundtable discussion in Shanghai in which he discussed his

meeting three days earlier with President Jiang Zemin in Beijing.

The president said he had told Mr. Jiang that America did not "support independence for Taiwan, or two Chinas or 'one Taiwan-one China'."

"And," he said, "we don't believe that Taiwan should be a member in any organization for which statehood is a requirement."

Contrast that with Mr. Clinton's statement in Mr. Jiang's presence during the Chinese leader's visit to the United States last October, in which the president put U.S. relations with Taiwan and China on an equal footing.

American policy, Mr. Clinton said then, "has allowed democracy to flourish in Taiwan and provides a framework in which all three relationships can prosper — between the United States and the PRC, the United States and Taiwan and Taiwan and the People's Republic of China."

Until Mr. Clinton told Mr. Jiang that America accepted what are known as the Three No's, the United States had not committed itself on the issue of sovereignty over Taiwan.

The question was not settled in the Shanghai communiqué of 1972, which says only that the United States "acknowledges" that Chinese in Taiwan and on the mainland claim to be the rulers of China, including Taiwan.

Henry Kissinger, President

Richard Nixon's national security adviser, wrote later: "We needed a formula acknowledging the unity of China, which was the one point on which Taipei and Peking agreed, without supporting the claim of either."

The United States did not change that formula in 1979, when President Jimmy Carter switched U.S. diplomatic recognition from Taipei to Beijing. Nor did the Taiwan Relations Act of 1979, which governs unofficial U.S. relations with Taiwan, change the formula.

Nor did it change in 1982 when President Ronald Reagan set U.S. policy on arms sales to Taiwan. In 1982, moreover, the Reagan administration assured Taiwan that the United States had not altered its position regarding sovereignty over Taiwan.

Mr. Clinton appears to have ignored that assurance.

Further, the administration reviewed U.S. policy on Taiwan in 1994 and upgraded relations between Washington and Taipei to include visits to Taiwan by American cabinet officers.

Hardly had Mr. Clinton returned to American soil when the Senate repudiated his statements by voting, 92-0, for a resolution reaffirming support for Taiwan. On Monday, in a vote of 390 to 1, the House reaffirmed its commitment to arm Taiwan and called on President Clinton to require China to publicly renounce any use of force to assume control over Taiwan.

The president's nuanced shift in policy came during the winter as U.S. and Chinese officials prepared for his trip. The Chinese wanted a fresh commitment on Taiwan in writing. Clinton officials declined but signaled a policy change during testimony before Congress and in press briefings.

Deputy Assistant Secretary of State Susan Shirk, for instance, told Congress in May:

**The island has assumed strategic importance to Beijing, which has secured China's land borders and turned its attention to its coast.**

"We do not support 'two Chinas' or 'one China, one Taiwan' independence or Taiwan's membership in the UN." The president's statement in China carried far more weight, however, as could be seen from the trumpeting of Chinese officials and the official press.

The People's Daily, noting that Mr. Clinton was the first U.S. president to openly articulate a policy toward Taiwan, said: "Clinton's remarks indicate that the U.S. government has clearly realized the importance of the settlement of the Taiwan issue."

China's Foreign Ministry

spokesman, Mr. Tang, said: "We hope that the Taiwan authorities will have a clear understanding of the current situation, face realities, bear the just national cause in mind, return to the 'one China' stand as soon as possible and respond promptly to our call on holding political negotiations."

In fact, however, Taiwan has been urging Beijing to resume talks that Beijing broke off three years ago after Taiwan's president, Lee Teng-bui, was permitted to travel to Cornell University for a reunion. Taipei has insisted that new talks be held on a basis of equality and without conditions.

China is obsessed with Taiwan because Beijing sees the island, ceded to Japan after the Sino-Japanese War of 1895, as a vestige of China's humiliation by Japan and Western colonial powers in the 19th century. Nationalism, which erupted when Hong Kong was returned to China by Britain last year, demands the conquest of Taiwan.

Moreover, Taiwan has assumed strategic importance to Beijing, which has secured China's land borders and turned its attention to its coast. Taiwan is centered in a chain of islands running from Indonesia and the Philippines in the south to Japan and the Russian Kamchatka Peninsula in the north.

A fresh study from the National Defense University in Washington says that within this so-called zone of active defense, "China plans to be the dominant power."

International Herald Tribune

## A Blueprint for Containing Kosovo's Mounting Crisis

By Jane E. Holl

LOS ANGELES — As Kosovo rebels acquire increasing amounts of weaponry, ammunition and experience through tactical triumphs against the Serbian military, Belgrade responds by shelling Kosovo cities.

Hundreds of civilians are fleeing the violence. Casualties on both sides are mounting. The fighting, despite repeated efforts by the international community to end it, raises deeply vexing questions: What can be done about the situation? Who should do it?

Kosovo is at a crossroads, and a familiar one. Its situation is eerily reminiscent of the early phases of the war in Bosnia. Three paths lie ahead.

The first is one of persistent, chronic, low-level violence. Hundreds, perhaps thousands, will be killed; tens of thousands will be displaced. But people will adapt. The fighting will slip in and out of the international community's consciousness. Such was the pattern in Bosnia, whose war lasted four years until an uneasy peace was achieved.

In Kosovo, so great is the enmity that unless a breakthrough is made soon, fighting could continue for years and descend into that special hell known as generational warfare.

The second is one of dramatically expanding violence. Standard predictions of "Kosovo contagion" see war spreading to Albania and Macedonia, potentially involving Greece and Turkey, two members of the North Atlantic Treaty Organization already antagonized over Cyprus and the Aegean.

Also possible is the disturbing prospect that, as the NATO force in Bosnia downsizes and the Serbs are distracted in Kosovo, leaders in Bosnia might miscalculate and wrongly see an opportunity to undo Bosnia's de facto partition. Sandzak Muslims could

move to secede from Serbia and join Bosnia, and Bosnian Croats could exploit the situation in break away. Thus, violence could erupt anew in Bosnia despite the presence of some 30,000 NATO troops.

Western states will not permit this scenario to materialize, for while they may be unsure about how to deal with the violence in Kosovo, they are certain that the fighting cannot entangle NATO members or jeopardize what has been achieved in Bosnia. Here, preserving the Dayton accords and the reputation of the alliance leaves little energy or sympathy for the Kosovars, whom many in the West suspect of trying to provoke a wider war to draw in outside help.

Belgrade's ceasing its attacks and engaging in real dialogue with the moderate Kosovar leadership to yield limited political autonomy for Kosovo is the final path. The Kosovars will want to assure themselves that autonomy will not be as easily swept away as in 1989, when President Slobodan Milosevic engineered a change in Yugoslavia's constitution. The only acceptable assurance will likely be the presence of an international force.

As in Bosnia, steady engagement by the international community is necessary. It is vital now to keep Mr. Milosevic at the negotiating table; to strengthen the hand of the Kosovar leader Ibrahim Rugova and his supporters against militants who want independence, and to provide the essential economic and military elements, including a peacekeeping force, to make it possible for both parties to settle.

This path is viable because positions have not yet hardened to all-or-nothing stances and, despite the advances of the Kosovo Liberation Army, moderate leadership is in charge in Pristina.

The conflict, moreover, is a live political issue in Washington and in European capitals, chiefly because of its potential to threaten the peace in Bosnia. The United Nations also is likely to remain diligent, especially if Serb shelling of Kosovo cities continues in defiance of international demands.

Sustained media interest will help keep policymakers accountable. At this stage, the United States must stay clearly in the lead, even in this "European" problem. For the past 50 years, the states of Western Europe have cast their security lot with America. Especially now, preventing a Balkan conflagration is a burden for NATO, and leadership of NATO is a burden for the United States.

The United States, furthermore, is the international player most exposed on the Kosovo problem because of its strong rhetoric, its high-profile diplomatic engagement and its decisive role at Dayton. It is most capable of mobilizing international action, including military strikes, should they prove necessary. But it can do so only from a position of leadership.

To lead, Washington should mold its policy around a preventive strategy to defuse the potential in Kosovo for open warfare. Outside action cannot substitute for the steps leaders in Kosovo and Serbia must take on their own behalf, but it can create the conditions to permit the necessary movement to avoid violence.

What should be done? • First, keep the leadership on both sides of the crisis intensively engaged. Presidential envoy Richard C. Holbrooke's continuing presence in the region is a signal that Washington recognizes this imperative.

• Second, keep the situation in Kosovo high on the agenda of the United Nations and the

European regional organizations. This sends the message that the status quo is unacceptable: Mr. Milosevic must negotiate a solution to the Kosovo issue, and rebel violence will not yield success.

• Third, institutionalize a permanent, multilateral observer presence on the ground in the form of a strong nongovernmental or Organization for Security and Cooperation in Europe operation.

Indeed, Mr. Milosevic's agreement to permit monitors in the region is only a short step from reintroducing a long-term OSCE mission.

• Fourth, in the context of this preventive strategy the question regarding military action becomes: Under what conditions will military steps by NATO contribute to an immediate easing of tensions between Serbs and Albanians? In-

roduce peacekeepers, such as those deployed in Macedonia, to help win and maintain an agreement. NATO should take on this task to deter major outbreaks of violence.

In addition, begin a military-to-military dialogue with the Serbs through NATO. The Serbian military leadership must be made to understand its responsibilities in this crisis, and soldiers have great credibility with each other.

The situation in Kosovo is not hopeless, but neither is it self-healing. Outsiders can help prevent this conflict from expanding. They should act now.

The writer, executive director of the Carnegie Commission on Preventing Deadly Conflict, served on the National Security Council from 1991 to 1994. She contributed this column to the Los Angeles Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Rendezvous Site

PARIS — [The Herald says in an Editorial:] Morocco has at last made an official declaration of neutrality, and the idea of making the rendezvous for Commodore Watson's fleet at Tangier will consequently have to be given up. Port Mahon, in the Balearic Islands, may, however, serve the purpose equally well. The prospect of Commodore Watson's visit is causing quite a scare on the Spanish coast, and the Transatlantic Company is hastening to put its vessels into positions of safety, even under the shadow of the British flag.

## 1923: Croat Charged

BELGRADE — The Parliamentary Immunity Committee has decided to hand over to justice M. Radich, leader of the Croatian Peasants' party, for having published a manifesto to the electors inviting them to

vote for an independent republic of Croatia. M. Radich is also charged with plotting against the State. These charges were made after a speech delivered by the Croatian leader in which he proposed the formation of a Federal republic, comprising the three autonomous states of Serbia, Croatia and Livonia.

## 1948: Reds Arrested

NEW YORK — A round-up of twelve top-ranking Communist leaders was begun by the Federal Bureau of Investigation last night [July 20] with the arrest of William Z. Foster, national chairman. Mr. Foster and five others were arraigned in the United States District Court and released in the custody of their lawyers. The six were indicted under the so-called Smith Act of 1940, prohibiting advocating the violent overthrow of the government. The act carries a maximum penalty of ten years in jail.

## Herald Tribune

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Editor for Asia: Michael Richardson, 5 Coleman Rd., Singapore 179048 Tel: (65) 472-7708 Fax: (65) 274-2444  
Mtg. Dir. Asia: Tim Dwyer, #231, 191 Ann Road, Hong Kong Tel: 852-3022-1100 Fax: 852-3022-1100  
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## OPINION/LETTERS

# With Starr on the Prowl, It's Spooky at the Top

By Richard Cohen

WASHINGTON — In the story, as Mike Deaver tells it, he found Ronald Reagan one day alone in the upstairs dining room of the White House, going out the window at the people on Pennsylvania Avenue. The president turned to his aide and remarked about how isolated he was in the White House. He missed being able to go to a store and just browse.

We are enjoined, solemnly and repeatedly, never to feel sorry for presidents. They make a nice living. They live in a swell house. They have the armed forces to play with, and they can get anyone they want for dinner and not have to worry about the dishes afterward. It is not a bad life.

But it is an isolating one, and now on account of Kenneth Starr it will be even more so. The independent counsel has called the chief of Bill Clinton's Secret Service detail, Larry Cockell, before a grand jury. What did he hear? What did he see? Mr. Cockell rides in the car with Mr. Clinton. He is always at his elbow. He and Mr. Clinton are not the same person, yet this is a sort of creepy self-incrimination.

Mr. Starr's office says it is not interested in what Mr. Cockell and the other agents might have heard Mr. Clinton discuss with his lawyers. But Mr. Starr is clearly interested in something Mr. Cockell saw or heard,

something that is not a crime but that might help prove the existence of one. For instance, had he ever seen the president and Monica Lewinsky alone after 6 P.M.?

Being alone with anyone is not a crime. But testifying one way under oath — Mr. Clinton had suggested to Paula Jones's lawyers that he had never been alone with Ms. Lewinsky in the evening — and having that statement contradicted by your bodyguard is another matter. When the Secret Service says none of its agents witnessed a crime, the response has to be, "How could they know?" In this case, the alleged crime is a cover-up of something that was not a crime.

So the prudent president would pull back. His Secret Service agent would supposedly take a bullet for him, but lying or contempt of court (refusing to testify) is another matter. The agent is a potential snitch. In the future, presidents may try harder to put some distance between themselves and their bodyguards. They are even more likely to feel like a goldfish in a bowl — always under observation, even in their own home.

Nothing in the constitution or law provides a privilege for Secret Service agents. Mr. Starr was entitled to do what he did. The question here is not of law, it is of judgment and proportion. What, after all, is this case all about? It



seems to be about whether the president had a sexual relationship and perjured himself and/or obstructed justice as a consequence.

Of course, it is a serious matter if presidents commit perjury or obstruct justice. But to lie about an unconstitutional or illegal operation (a Watergate burglary, a funding of the Nicaraguan contras) is one thing; to lie about a sexual matter is something else entirely. Almost everyone recognizes this distinction. Everyone, it seems, but Mr. Starr.

All right, the man is only doing his job. But to pacify this particular village, he is about to obliterate it. He has hauled Ms. Lewinsky's mother before the

grand jury. He has subpoenaed bookstore records of Ms. Lewinsky's purchases. He tried to get the notes of the late Vince Foster's lawyer, arguing that the lawyer-client privilege ends with death. He has gone after the White House aide Sidney Blumenthal for, it seems, practicing politics with a smirk. And now he has demolished the trust presidents had in their bodyguards.

If the matter at the heart of these activities was momentous then Mr. Starr would be justified. As it is, though, we are talking about a mortification. The cover-up is not of a crime but of a blurb. If the allegations — of an affair, of perjury, of obstruction of justice

— are true, then the president is hardly blameless. It is idiotic for a man in his position to have an extramarital sexual relationship, especially with a White House Mouseketeer. You could say, on that basis alone, that he and Mr. Starr deserve each other.

But presidents come and presidents go while the power of prosecutors remains. The bold initiatives of one prosecutor become the standard operating procedures of his successor. Unless Congress acts, the relationship of a president to the Secret Service has been changed. It has always been lonely at the top. Now it is spooky as well.

The Washington Post

## Journalists' New Focus? Their Fascinating Navels

By Maureen Dowd

WASHINGTON — The summer of '98 will be remembered for several things. Demi and Bruce splitting. Tina and Harvey merging. Camilla and William colliding.

But most strikingly, this will be remembered as the summer the news media decided to forget about news and focus on them-

## MEANWHILE

selves. The guild is in the midst of a weird collective meltdown.

Journalists have always been self-regarding. But now we are positively solipsistic, with no time or interest in covering anything outside our own travails.

Content 'R Us. We are obsessed with our mistakes. Our top editors' comings and goings. Our piques. Our fantasies. Our desires. Our disappointments. Our severance packages. Our synergy. Our e-mail. The journalistic club, once self-protective, has turned as savage as "Lord of the Flies." Nothing is private anymore. Biner feuds and emotional rants are flying through cyberspace and landing on newspaper.

Fired journalists seem as preoccupied with their legacies as Bill Clinton is with his. First James Fallows, the editor of U.S. News & World Report, gave his self-explanatory Farewell Address. Then April Oliver mounted an aggressive defense of her role in reporting the CNN nerve gas fiasco, long after she should have disappeared in a cloud of shame gas.

Where reporters once pored over declassified documents, now they are poring over the e-mail sent out by Michael Kinsley, the editor of Slate, telling colleagues and friends and the rest of the galaxy about his ill-fated encounter with S.I. Newhouse Jr. Mr. Newhouse offered Mr. Kinsley the job as editor of The New Yorker, then snatched it back a few hours later and gave it to David Remnick.

Bored with the rumble between the president and the prosecutor, journalists became mesmerized with the rumble between the eccentric billionaire and the cyberspace editor. Back on the Microsoft campus in Redmond, Washington, Mr. Kinsley sent out a message to his staffers at Slate, elaborating on his low opinion of Mr. Newhouse's manners: "I feel

I had a narrow escape from finding myself working for a jerk," he wrote (something that is, of course, impossible at Microsoft).

Slate itself served as an echo chamber, with the married writers Timothy Noah and Marjorie Williams trading notes on the Newhouse-Kinsley imbroglio in on-line pillow talk, in a feature called "The Breakfast Table." Enhancing the hall of mirrors effect, Mr. Noah is a Fallows acolyte who went through his own publisher-editor donnybrook at U.S. News & World Report. Ms. Williams works for Vanity Fair, another Condé Nast publication owned by Mr. Newhouse.

"Nothing Else Matters Except The New Yorker," Mr. Noah titled one of his entries. Ms. Williams observed that the ascension of Mr. Remnick was even Topic A at her Washington mothers' group.

When journalists were not deconstructing Mr. Kinsley's e-mails they were e-mailing each other. Nina Burleigh's e-mail, in a message to her former colleagues and in a piece in The New York Observer to be published Wednesday, Ms. Burleigh, the former Time magazine White House reporter who offered some erotic meanderings about President Bill Clinton in Mirabella magazine, defends herself zestfully.

In her Observer piece she recounts the moment when she gave Howard Kurtz of The Washington Post a provocative quote about how she would be willing to perform a certain kind of act on Mr. Clinton in gratitude for his defense of abortion rights.

"I recognized Howard's visceral response to my words by his sudden intake of breath and the spurt of pounding fingers on keyboard," she writes. "I'd never been on that side of a good quote before. It was better than sex!"

Ms. Burleigh opines: "In the event that we ever get a female president, Pete Hamill or Norman Mailer would never be so savaged and maligned and ridiculed for writing about the woman's charms." In a rousing call to other female scribes who had reacted in horror to her embarrassing true confessions, she says in her e-mail: "Wake up oh my sisters."

Oh my sisters, oh my brothers, Get a life.

The New York Times

## LETTERS TO THE EDITOR

## A Meritless Ritual

Regarding "Ulster Shocked by Arson Killing of 3 Children" (July 13):

If walking away from the protest in Duncree meant that the Orangemen could "never wear their collarettes again," as an unnamed 41-year-old civil servant was quoted as saying, then so be it. The collarettes are now an emblem of shame, and the march is a meritless ritual.

Who is responsible for the deaths of the three Quinn children in their beds? Besides the person who threw

the flaming gasoline bomb through the window of their home, hatred — hater and brutal — is to blame.

SUNNY ROGERS, Paris

## Exporting Capitalism

Regarding "In America, Radical Globalizers Talk Like Missionaries" by William Pfaff (Opinion, July 9):

Mr. Pfaff is right in denouncing the misconception that free trade will generate democracy. The reverse is true. It takes strong and long-established democratic tra-

ditions and institutions for a liberal economic system to operate efficiently and decently.

But can't one go a bit further? The present tragedy of globalization is that the United States is exporting its economic model without the built-in protections, regulations, counterweights and checks and balances that evolved over several centuries of democratic advances.

In my own experience, U.S. domestic capitalism is far less unfettered than the brand touted worldwide by its missionaries.

M. MARCHETEAU, Paris

## The Names of a Sea

Regarding the nomenclature accompanying "Seoul Searches for Frogmen on U.S. Vows Strong Support" (July 14):

The designation of the sea area east of the Korean Peninsula as the Sea of Japan may be right according to official U.S. guidelines for geographic names.

It is wrong, however, in that the guidelines represent a distortion of history.

The International Hydrographic Organization's decision of 1928 to recommend the name was flawed because Korea, then

under Japanese rule, was blocked from voicing its objection.

Historically, what is now frequently called the Sea of Japan — what is known in Korea as the East Sea — was named by cartographers the Sea of Korea, the Sea of Japan or the Oriental Sea.

It was only after Japan occupied Korea that "Sea of Japan" took hold.

CHUNG DAL-HO, Vienna

The writer is a counselor at the South Korean Embassy in Vienna.

## BOOKS

## THE DOOMSDAY REPORT

By Rock Brynner. 271 pages. \$23. Morrow.

Reviewed by Louis Bayard

RUNNING low on millennial anxiety? Worried because the year 2000 problem doesn't have you quite worried enough? Rest easy, Rock Brynner is here. The writer, lecturer and son of Yul has devised an eco-fantasy that brings the end of the world within tempting reach.

All we have to do, according to the characters in his new novel, "The Doomsday Report," is keep driving cars, having babies, cutting down trees — and presto: no more people.

The fictional mouthpiece for that argument is Roger Belacqua, a NASA scientist who claims to have definitive proof that the human race will go extinct in roughly 40 years. Global warming, he says, has sent the Earth into a tailspin from which it can never recover. First to go will be the carbon-saturated oceans. Insect life will quickly follow, and the devastation will spread up the

food chain until there's nothing left on the planet but a few cockroaches.

Too grim to resist, Belacqua's findings are rushed into print by the publisher Franco Sherman and his comely assistant, Terry Bancroft. The resulting book becomes an international best-seller and immediately transforms the tenor of public life, producing "a kind of dispassionate despair" that, Brynner tells us, "reached all the way down to kindergarten." Faster than you can say "greenhouse gas," the world is gripped by a "discernible corrosion of traditional values... coupled with the onset of ideological nihilism."

"The Doomsday Report" overflows with absurdities, but perhaps the most endearing nonsense is the notion that a book, in these post-literate days, could generate planet-wide dystopia. Brynner has such a touchingly ingenuous faith in the power of the printed word that you wish he had printed words worth reading. The first half of the book expends several metric tons of carbon dioxide explaining the science of climate change. The last half becomes an increasingly risible portrait of

life post-Belacqua — apparently, a numbing succession of suicides, sadism and opeds.

One needn't discount global warming to recognize that, as apocalyptic threats go, it ranks pretty low on the public's Fright Meter — somewhere below giant lizards and Bill Gates. Brynner must recognize this, too, because he hedges his bets with additional cataclysms: earthquakes, terrorist assaults and a nuclear meltdown in Eastern Europe. For good measure, he throws in a murder mystery featuring a leggy bisexual blonde named Suki.

None of this is remotely plausible or even compelling, but neither is it humorless. If anything, the author appears to be a compulsive goofball, sprinkling in jokes about O.J. Simpson and Vanna White (not especially fresh targets) and churning out mock-tough, wisecracking prose that might best be characterized as hard-boiled egghead: "He sat in a dark bar on a sunny afternoon and drank Laphroaig Scotch until he could no longer operate heavy equipment. Like his fingers."

It's a style that slides quite easily into self-parody. "Terry threw herself into the job like an impatient suicide off a low bridge... Franco arrived home that evening with the haunted stare of a destitute diabetic in a strange city at night." It also imparts a distinctly violet aura to the obligatory sex scenes: "She too succumbed to the running stamina unleashed by the notion that they were indifferent strangers chosen for selfish, carnal, anonymous pleasures."

When they're not rutting, Brynner's characters all sound like the same hip New York University professor, and they all resemble celebrities — the better to dispense with physical description. One particularly nasty editor is compared simultaneously to Lytton Strachey, Gary Cooper, Norman Mailer, W.C. Fields, Balzac, Jeanette Winterson and Eugene O'Neill... and that's just for starters. In the course of his narrative, Brynner manages to rope in virtually every cultural signifier of the 20th century.

So the best thing you can say for Rock Brynner is that he doesn't take this apocalypse business too seriously. It's also, in a way, the worst thing you can say. Because if he really cares about his subject, you have to wonder why he can't stop trivializing it. Why does he keep undercutting his message with gags and lame skulduggery? Why does he allow his Götterdämmerung scenario to morph into a satire of environmental hysteria?

After a while, you may suspect that the only agenda being served here is Brynner's own. Peep through the rickety scaffolding and you will glimpse his new world order — an era of on-line parables, constitutional conventions and sexually tireless women.

There's a reason, then, that "The Doomsday Report" fails both as parable and as black comedy. It's conceived only as a slow, winding parade route for Brynner's preening gray cells. Be sure to salute them as they pass.

Louis Bayard, a Washington writer and author of the forthcoming novel "All the Wrong Places," wrote this for The Washington Post.

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FICTION		
Rank	Title	Weeks on list
1	I KNOW THIS MUCH IS TRUE, by Walter Lure	23
2	THE KLOONE AND I, by Danielle Steel	13
3	SUMMER SISTERS, by Judy Blume	37
4	BRIDGET JONES'S DIARY, by Helen Fielding	45
5	UNPREDICTABLE, by Sandra Brown	54
6	A WIDOW FOR ONE YEAR, by John Irving	60
7	LOW COUNTRY, by Anne Rivers	10
8	MESSAGE IN A BOTTLE, by Nicholas Sparks	10
9	THE STREET LAWYER, by John Grisham	72
10	MEMOIRS OF A GESSHA, by Arthur Golden	34
11	COLD MOUNTAIN, by Charles Frerking	11
12	THE LAST FULL MEASURE, by Jeff Shafer	9
13	THE ELEVENTH COMMANDMENT, by Jeffrey Archer	5
14	QUITE A YEAR FOR PLUMS, by Bailey White	1
15	YOU BELONG TO ME, by Mary Higgins Clark	14
16	THE PIRATE LOOKS AT FIFTY, by Jimmy Buffett	1
17	TUESDAY MORNING, by Mitch Albom	2
18	3 A MONK SWIMMING, by Malachy McCourt	3
19	4 A WALK IN THE WOODS, by Bill Bryson	4
20	5 ANGELA'S ASHES, by Frank McCourt	7
21	6 TITAN, by Ron Chernow	9
22	7 WE ARE OUR MOTHERS DAUGHTERS, by Cokie Roberts	5
23	8 THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	10
24	9 THE GIFT OF THE TWINS, by Thomas Cahill	9
25	10 SHIP OF GOLD IN THE DEEP BLUE SEA, by Gay Kliner	8
26	11 THE MAN WHO LISTENS TO HORSES, by Monty Roberts	11
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32	1 SUGAR SISTERS, by H. L. Houghton	1
33	2 THE 9 STEPS TO FINANCIAL FREEDOM, by Sam Orlan	2
34	3 MARILYN HEINER'S TOTAL HEALTH MAKEOVER, by Marilyn Heener and Laura Morano	3
35	4 MARS AND VENUS STARTING OVER, by John Gray	1



## INTERNATIONAL

# Religious and Secular Rivals Struggle for the Soul of Israel

By Serge Schmemmann  
New York Times Service

**JERUSALEM** — Receiving a lifetime-achievement award at the Jerusalem Film Festival this spring, an Israeli filmmaker, Assi Dayan, congratulated organizers for putting on so fine a festival "in this damned city."

Then, turning to Mayor Ehud Olmert, he loosed another curse: Please tell your friend, Prime Minister Benjamin Netanyahu, "that he should go to hell."

The incident was not big news. Mr. Dayan, son of the late Israeli military hero, General Moshe Dayan, is known for his sharp tongue and his harsh views about religious Jews and the rightist government.

But even more than that, such language has ceased to shock as the dispute between religious and secular Jews has steadily intensified in fury and ematid. It is common now to hear references in *Kulturkampf*, a culture war in which the

secular "Tel Aviv" and the religious "Jerusalem" are battling for the very soul of Israel. Hence Mr. Dayan's curse.

The passions seem hardly proportionate to the realities. The sides are vaguely defined — religious Jews in Israel range from the fundamentalist "haredim" to thoroughly liberal Orthodox, while "secular" Israelis run the political gamut from far-right to far-left.

Yet every skirmish rapidly turns into angry confrontation. The most celebrated in recent months was the decision of the renowned Batsheva Dance Company to withdraw from a gala in Jerusalem in April celebrating Israel's 50th anniversary after ultra-Orthodox politicians objected to a number in which scantily dressed dancers danced to a Hebrew prayer.

That incident unleashed a torrent of fury among secular Israelis.

Several days later, at a packed outdoor arena in Tel Aviv, the company staged a retaliatory performance in which a dancer dressed as an ultra-Orthodox Jew stripped to her underwear. The Tel Aviv audience cheered as if their team had scored a touchdown and had retaken the lead.

## In a Kulturkampf, every skirmish rapidly turns into angry confrontation.

At a tempestuous Parliament hearing, the chairman of the Israeli Artists Union, Shaikeh Levy, declared: "There will be creative freedom. The more important question is whether there will be a country."

An enraged legislator, David Azulai, from the religious party Shas, retorted: "The country will continue to exist, with you or without you."

Other clashes have occurred on streets the haredim want closed on the Sabbath, or in towns where the religious have tried to establish a presence.

In Pardes Hanna, an old town in central Israel, arsonists set fire to a haredi trailer, and hundreds of secular Israelis have gathered for regular protests against what they see as religious encroachment.

A recent announcement that Jerusalem's boundaries would be expanded drew violent protests from affluent suburbanites, many of whom had fled before the swelling religious population of the city and saw the expansion as an attempt to tap their taxes to compensate for the large and poor haredi families.

Politicians have been quick to seize on the battle. Mayor Rami Milo of Tel Aviv recently declared himself a candidate for prime minister as champion of those opposed to "religious coercion."

The war is not over the Batsheva

dancers' clothing," wrote the columnist Nahum Barnea in Yedioth Ahronoth. "The war is about power, about territories of control. The haredim, a rising power in Israeli politics, are testing the boundaries."

Ehud Barak, chairman of the Labor Party, introduced a bill to draft haredi youths, seeking to cash in on what is probably the greatest source of resentment among secular Jews.

Most ultra-Orthodox Jews are exempted from mandatory military service on the premise that they study the Torah at their yeshivas.

What enrages other Israelis is not only that a rapidly swelling portion of the population does not take part in the defense of the Jewish state but that also that this group receives state subsidies as well.

About 200,000 yeshiva students receive a total of about \$275 million — and recently demanded a 33 percent raise.

These resentments have been fanned by the fact that the haredim, because of their huge families and relative poverty, pay few taxes.

And their unwillingness to take part in secular patriotic ceremonies, like the annual minute of silence for those who fell in wars, is seen as disrespectful to the nation.

From the haredi side, two rabbis, Yosef Shalom Elyashiv and Aharon Leib Shteinman, published a declaration that the proposal to draft the ultra-Orthodox was a "plot to uproot Torah from Israel."

Mr. Barak's bill was defeated. But signs appeared on buses reading "One Nation, One Draft," and ultra-Orthodox leaders promptly threatened to boycott buses unless they were taken down.

The haredim have their own sources of resentment. One is the Israeli Supreme Court, which they see as a threat to religious law. Another is archeology, which they perceive as a threat to the sanctity of the Jewish dead.

The haredim have systematically tried to block archeological digs where there is any chance of coming on Jewish tombs — which is most anywhere in Israel. In May, offices of the Antiquities Authority in Hahaiel were set on fire, with the loss of extensive archeological documentation; the police said they were searching for two haredi youths.

Yet when all such passions are pushed aside, it is difficult to see what the problem is. Although religious parties control the Culture Ministry, state subsidies remain intact even for an religious would refuse to see. No program on television, stage or radio has been banned or withdrawn because of religious pressure. After months of fierce fighting along Bar-Ilan Street in Jerusalem, a quiet compromise was reached to close the street during prayer times on the Sabbath.

For all the demands to draft the haredim, army leaders admit this would create big problems because the ultra-Orthodox could not serve with women and would demand far stricter dietary controls. And the Supreme Court has usually managed to accommodate religious courts.

Finally, for all their threats, neither side has succeeded in passing a law the other opposes. The attempt by the religious parties to pass a bill institutionalizing their monopoly over religious conversions was blocked, as was Mr. Barak's attempt to draft haredim.

Besides, the sides are not as polarized as their language would suggest. Studies have shown that only about 14 percent of Jews in Israel define themselves as "strictly observant" and 20 percent as nonobservant. All the rest are somewhere in between. A survey by Tel Aviv University found that 80 percent of Israelis expect an outbreak of violence between the religious and the secular.

The real reason behind the anxiety is a sense that Israeli society is undergoing profound change in which every minor conflict is a battle over the future.

A journalist, Yossi Klein Halevi, wrote: "What we're seeing is really an apocalyptic debate, for the religious and secular are both convinced that if the other side wins, the country will be destroyed."

The secular scenario is simple: If the country becomes a theocracy, the secular middle class, which keeps Israel productive and gives it an edge in the Middle East, will leave, and this country

## BRIEFLY

## Menem Won't Run For a Third Term

**BUENOS AIRES** — President Carlos Menem announced on Tuesday that he would not seek a third term as Argentina's president next year.

The Peronist leader said only last week that he wished to be re-elected.

A special party congress voted Friday to attempt a referendum or any other legal means to overcome a constitutional amendment that bars Mr. Menem from another term. But the congress was boycotted by many Peronists who favor the governor of Buenos Aires Province, Eduardo Duhalde.

Mr. Menem was first elected in 1989. He was re-elected by a landslide in 1995, after getting the constitution amended to allow two consecutive terms. That amendment specifically ruled out a third consecutive term for him. (Reuters)

## Iraq Is Adamant Against Sanctions

**BAGHDAD** — Iraq warned the United Nations Security Council on Tuesday that Baghdad could not accept "excuses or pretexts" for prolonging sanctions against the country.

"Iraq has issued today a strong warning that it cannot accept the continuation of the unfair embargo, which has lasted eight years," the state news agency said.

The warning did not say what steps Iraq would take if the sanctions were not lifted. Iraq has often given such warnings in the past.

On Friday, in a nationally broadcast speech, President Saddam Hussein promised his people that the sanctions would be "eroded" by the end of the year. (AP)

## Priest in Guatemala Gravely Wounded

**GUATEMALA CITY** — Unidentified gunmen shot and seriously wounded an Italian-born army chaplain as he was leaving a church Monday, the army said.

The attack on the Reverend Sebastiano Crestani came as police continued to investigate the murder of Bishop Juan Jose Gerardi on April 26, two days after he presented a report on human rights abuses during the long civil war. (Reuters)

will become a real ghetto, and Israel, as a theocracy, will be destroyed.

"On the other side, which is not well understood because the religious don't make themselves understood in the media, there is the idea that we were in this land twice before, and both times we lost because we didn't follow God's law."

Though such debates have always existed in a people defined both by blood and religion, Israel was shaped and controlled in its formative years by secular, liberal Zionists who perceived the rigorously Orthodox as a vestige of Europe's ghettos.

The assassination of Prime Minister Yitzhak Rabin in 1995 by a religious nationalist stunned the left by revealing the depth of radicalization in the religious right. Then the election of Mr. Netanyahu in 1996 revealed a convergence of interests among traditional ultra-Orthodox, religious Jews from Arab countries and religious nationalists, who together gained enough muscle to make or break the coalition.

"There was a debate, and suddenly the religious people brought in a gun," said a writer, David Grossman. "They showed that even though we had a state, they were more committed to God's laws. We're fighting now for our future."

"Why now? Because everything is sharper now, because we're facing the crucial point of deciding how to live the next 50 years. Will we have peace? Will we internalize the idea of concession to neighbors?"

## Serbian Forces Said to Kill 34 Kosovo Rebels

Agence France-Presse

**PRISTINA, Yugoslavia** — Serbian forces killed at least 34 ethnic Albanians in the battle for control of Oraovac town in southwest Kosovo in recent days, the Kosovo Albanian Information Center said Tuesday.

The center said in a statement that it had "received two accounts today indicating that at least 34 Albanians have been killed in the last couple of days."

It said it could not give an exact toll as the area around Oraovac is still inaccessible.

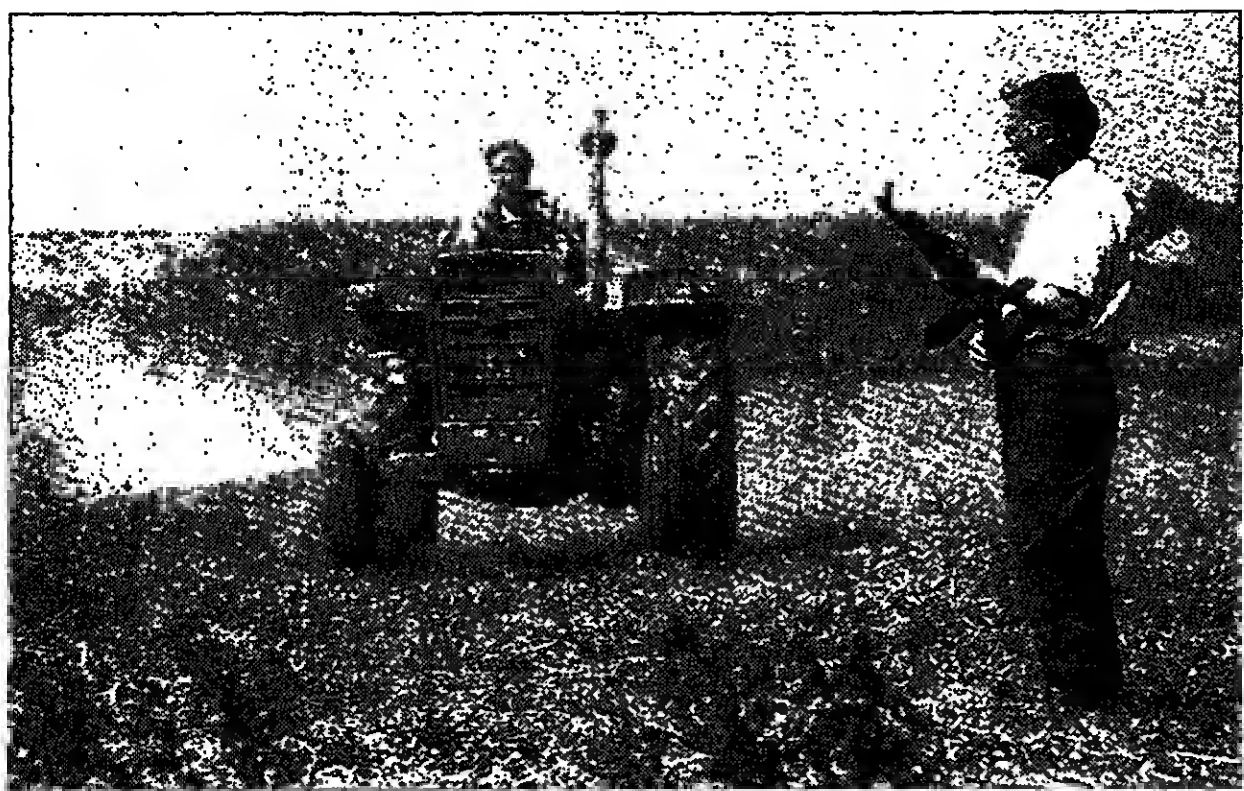
Ethnic Albanian separatists from the Kosovo Liberation Army have been battling Serbian troops for control of Oraovac, 60 kilometers (40 miles) southwest of Kosovo's capital city, Pristina.

The Serbian press reported Monday that government forces had recaptured the town from the guerrillas.

A reported 110 people died during clashes between Yugoslav Army troops and separatists in the Albanian-majority province over the weekend, the latest flare-up in four and a half months of conflict.

Serbian police reportedly had gained control over a Kosovo town that members of the separatist Kosovo Liberation Army attempted to seize in an operation that began Friday.

In response to the weekend bloodshed, the European Union called for an immediate cease-fire, while Washington



A Serbian standing guard near Kuzmin, west of Pristina, as a friend mows the midsummer hay crop.

said it was working "intensively on some ideas" to solve the crisis.

The State Department spokesman, James Rubin, said Monday that the United States was looking at how it was possible for Kosovo to have an "enhanced" autonomy "without seeing this conflict spin out of control and spill over."

The fighting around Oraovac has cast doubt on the possibility of a negotiated settlement between Serbia,

which dominates what remains of Yugoslavia, and the independence-minded Albanians who make up 90 percent of Kosovo's population.

House-to-house battles in Oraovac forced as many as 25,000 residents from the town and its surroundings to the guerrilla-controlled town of Malisevo, 16 kilometers to the north, according to local reports.

Serbian police say as many as 600 rebels tried to seize the town, capturing

and shutting down a power plant before moving on to the post office.

The police forced them to flee by car or by foot, leaving their weapons behind.

On Tuesday, three strong explosions — nearly simultaneous — shook the Macedonian capital, Skopje, and two locations near the Yugoslav border, causing damage but no injuries.

No group claimed responsibility for the three explosions.

## TRIAL: Prosecution of Libyans in Pan Am 103 Bombing May Be Shifted to The Hague

Continued from Page 1

Scotland, where the plane came down in the village of Lockerbie, or in the United States, home of most of the 259 victims on the plane. Eleven other people died on the ground after the aircraft exploded in midair.

U.S. officials stressed that what they were discussing amounted to establishing a Scottish court in the Netherlands, an unprecedented undertaking. It would not involve the International Court of Justice in The Hague or use international law.

Even assuming such a court could be convened, it was far from clear whether Libya would accept the U.S. conditions, and many American and British officials remain skeptical that Colonel Moammar Gadhafi, the Libyan leader, would ever hand over the two men.

Libya has refused to extradite the two, Abdel Basset Ali Megrahi and Lamin Khalifa Fhimah, insisting that they could not receive a fair trial in either the United States or Scotland.

Stringent UN sanctions imposed on Libya in 1992 over its refusal to hand over the two suspects have begun to weaken in recent months, putting pressure on Washington and London to look seriously at other ideas, including

holding the trial in a third country. Several foreign leaders have recently flown to Libya despite the UN ban, and last month the Organization of African Unity announced that its member countries would defy the UN ban starting in September unless Britain and the United States accepted a trial in The Hague.

That stance was driven home on Monday when Blaise Compaore, the president of Burkina Faso, who holds the chairmanship of the OAU, arrived in Tripoli for a visit.

A spokesman for Prime Minister Tony Blair said Tuesday that the British government's position "has not changed" and that Britain would like to see a trial in Scotland or the United States.

But, he added, "we're willing to explore any option that will bring justice to families of the Lockerbie victims."

Jim Swire, head of U.K. Families Flight 103, which represents the survivors of about 30 British victims of the bombing, welcomed the signs of a shift in policy. "If it is true," he said, "it's a major step toward truth and justice."

Dr. Swire, whose 23-year-old daughter Flora perished on Pan Am 103, visited Tripoli in April and said he was personally assured by Colonel Gadhafi

that Libya would turn over the suspects for a trial in a third country.

But most American families have vigorously opposed any attempt to shift a trial to a third country.

Lee Kreindler, the New York lawyer who represents American survivors of the explosion and participated in the conference call, said there was "a lot of screaming and yelling" during the conversation. He said most of the families expressed "enormous concern that the United States was dropping the fight."

But Mr. Kreindler said Mrs. Albright and Mr. Berger had reassured him that Washington would agree to a change of venue to The Hague only under strict safeguards to ensure a rigorous trial.

"It's a positive development," he said in a telephone interview.

Susan Cohen, who lost a daughter in the explosion, told Reuters she was "sickened" by the prospect of a trial in the Netherlands.

"This is going to be a poney trial or probably it will never take place," she said. "The sanctions will be lifted, Gadhafi will look like a negotiator. It will allow them to resume trade."

Several details remain to be resolved before any trial could take place. While the original suggestion from a Scottish

law professor, Robert Black, was to conduct a trial before a panel of international judges, Mrs. Albright and Mr. Berger told the families that Washington would only accept a trial in The Hague before three Scottish judges, Mr. Kreindler said.

He also said that Mrs. Albright and Mr. Berger maintained that Washington would insist that any appeal must be heard by the Scottish Appeals Court.

Officials said it was also unclear who would have custody over the suspects, what penalties might be imposed and where any prison time would be served.

The varied reactions on Tuesday reflected deep differences between families on both sides of the Atlantic.

Most American families have accepted the conclusions of U.S. and British investigators that the two Libyan men planned the bomb on Pan Am 103 in Frankfurt, before its continuation to London and New York. They believe only a U.S. or Scottish court will render true justice.

The British survivors, who have floated the possibility of a trial in The Hague for the last four years, have shown more skepticism about the investigators' conclusions.

## Protest Over Nazi Past

In Belgium, World War II Vets Display Anger At Flemish Grants for Punished Collaborators

By Barry James  
International Herald Tribune

**BRUSSELS** — Veterans of World War II marched past the royal family in Belgium's national day parade Tuesday with black ribbons attached to their standards to protest a recent decision by the Flemish Parliament to grant allowances to needy persons punished for collaboration with the Nazis.

Defense Minister Jean-Paul Poncelet said the decision was "unacceptable."

The Parliament agreed to make the payments to an estimated 200 people who had been rehabilitated after being convicted of collaborating with the Nazis during their occupation of Belgium.

Although the payments of up to 20,000 francs (\$550) are symbolic, the decision, which was supported by a majority in the Parliament, including the radical nationalist Vlaams Blok party, caused a political stir.

Many of the Dutch-speaking Flemish nationalists accepted the German occupiers as allies in their struggle against domination by French-speakers.

Hugo Schiltz, a former deputy prime minister, said in a recent interview that many people were arrested after the war on the basis of mere rumors and have suffered a "civil death" as a result. He said their possessions were seized, they lost pension rights and they still face hassles with the administration.

Mr. Schiltz said that many of the French-speakers still refuse to admit that the wartime collaboration was often caused by the "political, social and cultural injustices of the epoch."

Mr. Poncelet said he would announce measures to attract more Flemish-speakers into the military, which, following the abolishing of conscription, is one of the few institutions in Belgium not split along regional lines.

Because Flanders is economically more successful and has lower unemployment, the minister said, there is less incentive for Flemish youth to volunteer for the armed forces.

As the parade got under way, civil defense units demonstrated with placards and banners, calling for equality of treatment with the professional military.

## Cancer Detected, King Hussein Says

Agence France-Presse

**AMMAN, Jordan** — Medical tests conducted on King Hussein at a hospital in the United States suggest that the 62-year-old monarch has cancer, the king told his brother Crown Prince Hassan ibn Talal in a letter made public Tuesday evening.

All the indications lead one to believe that I have a lymphoma," the king wrote, adding that he would "undergo chemotherapy Tuesday."

The king had said in a note to his brother made public earlier Tuesday that doctors at the Mayo Clinic in Rochester, Minnesota, expected to "reach a precise diagnosis next week after obtaining the laboratory tests."

King Hussein, who is to celebrate the 46th anniversary of his reign August 11, went to the clinic July 14 after suffering from a fever and cold sweats for 12 days.

His extended stay at the clinic forced the postponement of a planned state visit to France.

In his earlier message, the king said the fever had been brought under control and that he "generally felt well."

In 1992, King Hussein underwent surgery in the United States for the removal of his left kidney and ureter after cancerous tissue was discovered in the ureter.

## NIGERIA: Hope and Wariness Greet Promise of Civilian Rule

Continued from Page 1

snuffed Gani Fawehinmi, a leading human rights attorney.

Indeed, as the Vanguard newspaper noted the morning after General Abubakar's speech, under the headline, "The Military's Endless Transition," Nigerian military officers have set eight separate dates for their exit in the last 22 years — and so far kept only one. General Abubakar's vow has hardly been greeted with euphoria.

"He says what he likes," said Raimi Adisa, who supports six children on the \$50 a month he makes driving a hired car in Lagos. "I'm not really sure if it will come true."

Still, Nigerians want very much to believe that it will.

"It's promising, but it's difficult to trust military people," said Census Ekpou, also of Lagos. "They come along promising all kinds of goodies but end up giving you something else."

"The situation is very, very dicey," Mr. Ekpou's first name goes a long way toward explaining the risk. In a nation where many people are named for the day of the week they were born, it's not uncommon to meet a man named Monday.

Census happened to be born on a day everyone in Nigeria had his or her hand stamped: Oct. 21, 1963.

That national census in fact turned out to be the last reliable tally of Nigeria's population, which is variously estimated

between 100 and 120 million.

No one knows for sure because ethnic tensions are such that the government has found no advantage in determining exactly how many people live here. The assumption that a majority reside in Nigeria's north has been used to justify the prolonged rule by a military elite who speak (in addition to English) Hausa, the language of the north's major clans.

That dominance, meanwhile, has caused immense resentment among Nigeria's other major tribes, the Ibo of the southeast and the Yoruba of Lagos and the remainder of the southwest. The first suspicious death in detention July 8 of Moshood Abiola, the Yoruba who apparently won the annulled 1993 presidential election, was a flash point for that resentment, some of which flamed into ethnic violence.

With that in mind, Mr. Ekpou said he was relieved that General Abubakar had brushed aside demands to convene a constitutional convention aimed at decentralizing Nigeria's rigid structure of governance.

"That would be a time bomb," he said. "So many sentiments have been bottled up. The country would break into pieces."

Others say it is too late already.

"It's hard to find people who are proud to be called Nigerians, except when the Super Eagles play," said Abdul Oroh, executive director of the Civil Liberties Organization, naming the national soccer team.

In his address, General Abubakar appealed for political parties to form on a national, rather than regional or ethnic, basis. And by establishing a new electoral commission, he may well disqualify those that do not. But in urging countrymen to think of themselves first as Nigerians, the head of state also acknowledged that the designation carries a certain amount of baggage.

"This administration is concerned about the level of corruption in public life," General Abubakar said.

At least one of his predecessors, General Abacha, bled billions from the nation's 2-million-barrel-a-day exports of sweet crude oil.

General Abacha's successor detailed a list of what, in Nigeria, qualify as reforms, including open bidding on public contracts.

Frowning, General Abubakar also cited the continued "embarrassment" of fraud in a society so fraught with bribery that parents pay extortion to get their children into school. Mr. Adisa said the going rate is \$150 for the principal, and \$60 for the teacher.

"Does he talk about ending corruption in Nigeria?" he said. "Can it be possible?"

That question may be the largest facing General Abubakar. Diplomats here say he appears to be sincere about restoring civilian rule. His motivation, they suggest, is a desire to restore professional pride to Nigeria's armed forces.



# A New Lease on Life for Barcelona's Opera House

By Alan Riding  
New York Times Service

**B**ARCELONA — It was neither the oldest nor the most beautiful building in Barcelona, but when fire destroyed the Gran Teatre del Liceu on Jan. 31, 1994, its loss was mourned here like a death in the family. For close to 150 years, the legendary opera house had been at the heart of Barcelona's social life. On its stage, generations of Catalan singers had launched their careers, nor least Victoria de los Angeles, Montserrat Caballé and Jose Carreras.

While smoke was still rising from the ruins, shocked politicians hurriedly gathered in a building on the tree-lined Paseo de las Ramblas opposite the entrance to the opera house and did what was expected of them: They announced that the Liceu would be rebuilt. It had happened before. Inaugurated in 1847 and destroyed by fire in 1861, the opera

house reopened just one year later. A third nearly identical Liceu would again prove that death can be reversed.

Now, almost three years after the first stone was laid, the new \$95 million Liceu is close to completion. Its horseshoe-shaped auditorium is still filled with scaffolding, but the five balconies are in place and work on gilding the ceiling is advancing. Even metal frames to support rows of seats have been installed.

If all goes as planned, the Liceu will be reopened by King Juan Carlos at a gala next July. A full 1999-2000 opera season will start in October of next year with "Turandot," the Puccini opera that was next on the program when the fire broke out.

In preparation for the return to normalcy, Bertrand de Billy, a 33-year-old French conductor who has made his career in Germany and Austria, was named the Liceu's new music director in June. "The theater will look the same, but

in truth we will have an opera house for the 21st century," said Josep Caminal i Badia, the Liceu's general director. "It will be able to handle all the new audio-visual challenges."

Yet if the renaissance of the Liceu has gone remarkably smoothly, that is itself noteworthy. In the tumultuous world of opera, where dramas onstage are often overshadowed off stage by power struggles, financial crises and grandstanding divas, the tradition is for problems to haunt the building, rebuilding and renovation of opera houses in Europe. No wonder so many European opera houses resist modernization.

In the 1980s, President François Mitterrand of France decided to construct a new opera house at the Place de la Bastille in Paris to complement the 19th-century opera house, known as the Palais Garnier. After it opened in 1989, the Opera Bastille was barred by political infighting, strikes and mediocre productions. Only now is it finally

winning over both the public and critics.

In Madrid, the city's 19th-century opera house, the Teatro Real, which was forced to close in 1925 because it was literally sinking, reopened for opera only last October after years of reconstruction accompanied by endless setbacks. Similarly, the Royal Opera House at Covent Garden in London is due to reopen in late 1999 after a \$367 million renovation and expansion, but its image has been badly bruised by charges of mismanagement, exorbitant ticket prices and elitism.

**W**ITH the Liceu, disarray seems to have been averted by careful negotiations between all key parties before construction began.

When it was destroyed in 1994 the opera house was privately owned by about 400 shareholders. In 1981, the Catalan and Barcelona governments agreed to take over its management on

the ground that only through increased government subsidies could it remain one of Europe's top opera houses. But it remained private property.

After the fire, it became clear that building a new Liceu would require more than the \$14 million in insurance due to the owners. The authorities were unwilling to pay the \$80 million or so difference and leave the opera house in private hands. Finally, the owners ceded the property to a new foundation controlled by the central, regional and city governments and, in exchange, received priority to buy a fixed number of tickets for each show in perpetuity.

Further, big business in Barcelona was tapped for contributions, so that in the end the cost to Spanish taxpayers is not expected to exceed \$50 million.

As reconstruction went ahead, the theater's management was eager to show the people of Barcelona that although the building had been destroyed, the Liceu lived on. Using its permanent orchestra

and chorus, it organized a series of recitals, concerts, operas in concert and even full-scale opera productions in other Barcelona theaters.

If the Liceu is to reclaim its place among Europe's best opera houses, said Joan Matabosch, its artistic director, it must reach out, not only to 20th-century opera but also to avant-garde directors.

"We have to please all tastes because this is a city with just one opera house," he added, noting that he planned to spice the customary fare of Mozart, Verdi, Puccini, Bellini and Donizetti with Wagner, Janacek, Shostakovich and Britten.

Caminal still has myriad details to worry about before the red velvet curtain goes up next year. "I'd like there to be little translation screens on the back of seats," he said, "so people can pick their language — Spanish, English, French, Italian or German." Could he have forgotten Catalan? "Oh, that will be above the stage," he beamed. "in big letters."

# A Vibrant Revival of 'Oklahoma!': O.K., but Not at the National

By Sheridan Morley  
International Herald Tribune

**L**ONDON — There's a bright golden haze on the meadow, the com is as high as an elephant's eye, and the new National Theatre "Oklahoma!" is the best we are likely to see in the rest of a lifetime. Trevor Nunn has wisely gone back to the original play, Lynn Riggs' "Green Grow the Lilacs," to find some much-needed plot, while the undoubted star of the evening, the Broadway choreographer Susan Stroman, has finally cut through all those tired reruns of Agnes de Mille impersonators and given us a brilliantly vibrant new staging.

True, Maureen Lipman is a little young for Aunt Eller, thereby suggest-

ing a whole new relationship with her future nephew Curly, but Hugh Jackman and Josefina Gabrielle (a real dancer, so mercifully no more doubles for the ballet) are genuine finds for the leads, while Peter Polycarpou and Shuler Hensley are no less talented in the chief character roles.

So why couldn't I join the cheering that ran through the Olivier last week as loudly as I have ever heard it? Because I still believe that "Oklahoma!" has no place in the repertoire of a state-subsidized company (with, on this occasion, extra financial help from Sir Cameron Mackintosh). What of the National's past musicals, then? "Lady in the Dark" and the Sondheim could never have been seen elsewhere in such expert or lavish stagings; "Guys and Dolls" bad all but

disappeared locally, and "Carousel" was a redefinition of a hitherto hidden, dark heart at the center of the piece.

"Oklahoma!" is neither revelation nor rediscovery; it is just a very good, endlessly revived (by amateurs and professionals alike) landmark musical, given here an expert and expensive revival.

But there is nothing really new to tell us about a show that would look just fine at Drury Lane, or indeed the Lyceum, which is where this revival will probably end up pre-Broadway. How long now before the National gets around to "Annie" or "A Chorus Line," both of which could well be defended on this precedent?

From a purely scenic point of view, and it is dazzling, there has never been

in London theater a production as rich in special effects as "Doctor Dolittle" at the Apollo in Hammersmith. It could well take three years for the many producers to get their money back on a show that effectively stars the late Jim Henson, whose Muppet Workshop has now provided larger-than-life performing seals, hippos, pink sea snails that fly around the auditorium, and all manner of other eccentric beasts.

What's wrong with "Dolittle" is that Hugh Lofting's original short stories resolutely refuse to bind themselves into a coherent narrative, and Leslie Bricusse's score, though possibly his best, is so close to Lerner and Loewe that it often sounds like a parody of "My Fair Lady," with Doolittle and Emma Fairfax instead of Higgins and Doolittle.

But no stage musical, not even the

Disney "Lion King" or "Beauty and the Beast," can match the spectacle on offer here in some truly baroque and bizarre moments, not least the one where a sextet of lifelike seals tap-dance a tribute to "Hello Dolly." Aletta Collins's choreography elsewhere only verges on the adequate, but Steven Pimlott's production is agile, and Julie Andrews is back in fine voice as the parrot, while in the title role Phillip Schofield is aging into a better leading man than I would have forecast.

And lastly in a rich week, to the Barbican comes "The Man Who Came to Dinner." I feared we might never get to see it again because 10 or so years ago, on this same Barbican stage, the RSC miscast John Wood so appallingly and came up with such a terrible production that I thought they had killed it forever. One of the most distinguished of American regional theaters, Chicago's Steppenwolf,

usually associated with the darker work of David Mamet and others, has happily, decided to cast John Mahoney, the British-born star of "Frasier," at the head of a memorably jokey company in an utterly magical, manic revival, though you have only until the end of this week to catch a far too limited season.

Sure, the play cracks a bit now and then, but Steppenwolf's immensely agile director, James Burrows, has realized that this is still a farce worthy of all the Marx Brothers and then some. At its center, Mahoney gives us not the traditional monster, Sheridan Whiteside, but instead a lovable curmudgeon who just happens to slip on some ice and wreak total havoc with the Christmas of an unsuspecting family of Iowans on whom he then billets himself, several penguins and a mummy case for the duration. The best laughs in London are, briefly, to be heard at the Barbican.

## PARIS FASHION



Lacroix's fur-collared, braided jacket and wrap skirt, and Chanel's liquid-satin dress with jodhpur-cut hip line.

# Chanel's Vision: Now and Zen

By Suzy Menkes  
International Herald Tribune

**P**ARIS — In a courageous and perfectly judged collection Tuesday, Karl Lagerfeld gave Chanel couture a chic serenity for the modern world.

Now and zen was the message of the fall show, with its deceptively simple long dresses and light pleated skirts falling to gilded feet in tall sandals.

"The elegance of silence," said Lagerfeld, and from the decor alone, where rice paper with gilded brush strokes screened Coco's traditional salon, you could sense a change that has been brewing since monastic minimalism replaced gilded buttons and formal suits.

Here, finally, was a pure, modern collection of simply beautiful clothes, in which the couture workmanship was so whisper-quiet that draped dresses seemed like water finding its own level.

The naturalness was emphasized by the free-flowing pieces — low-slung skirts, canisole tops, loose jackets — coming together only like clouds passing.

At the heart of the show was the exploration of weight and volume in fabrics that were so light, so opalescent or so superbly worked that the loose clothes still related to the body. Even long skirts, antipathetic to many modern women, made sense as faux pleats: low-slung skirts stitched in panels making leather seem like paper. A jodhpur effect, giving volume at the thighs, was done gracefully in liquid silk on dresses and skirts.

Those Chanel buttons? Replaced by hinged gold-plated clips, sometimes threaded as chain belts. And the signature quilting was modernized as down-soft padded cape.

Many of Lagerfeld's new looks, like intricately cut dresses and tailcoat jackets, originated in the Japanese designer experiments of the early 1980s — ironically, in revolt against the brash

and flash of Chanel's gilded-button era.

But with the application of Lagerfeld's intelligence and the couture studio, what might have seemed like noble experiments mostly came off.

That applied also to the intriguing fabrics, with their mat and silvery surfaces or occasional abstract-art embroideries. These seemed like the futuristic ideas that the designer used to have for his own Karl Lagerfeld label, but elevated to couture level.

With this collection, Chanel has become the first of the established couture houses to look like it is striding on its sandaled feet into the new millennium.

Perched on her vertiginous scarlet satin high-heeled shoes as she walked the hand-painted runway, Christian Lacroix's woman was in another world. But, in his particular way, the artistic designer also displayed a new serenity, with a close-to-the-body silhouette and a palette dominated by black.

Black, from Lacroix? Thinking back to the exuberant explosions of color of his early collections, it is hard to imagine that 23 outfits worn by before a "typical" Lacroix piece: a mix of sultry yellow, green and purple for a chenille cardigan jacket and painted skirt.

But an artist can use black like a color, so that a tulle dress had smoky painting and crushed silk was given an iridescent and oxidized surface.

"There is always deep research into fabrics," Lacroix said before a show where even an apparently discreet coat dress was in artisanal tweed.

The slender cocktail suits, nesting jewels and worn with feathered hats or flat tiaras on the forehead, seemed a bit safe — as though Lacroix were responding to his clients. But a slim black crepe blouson dress with a flash of orange ribbon at the hips ushered in more splashy color: a cyclamen satin dress or violet sheath worn with a scarlet stole.

Lacroix's fanciful gowns destined for

weddings (the house has done nine grand marriages this season) were unrestrained works of art.

Art couture is a subplot of this season with new-generation designers showing experimental, one-of-a-kind pieces.

Showing in a bare day-light room (think downtown art gallery), Josephus Thimister presented his works-in-progress against a white satin backdrop: clothes tailored out of couture toiles; tulle dresses pumped up with foam padding; outfits knitted and plaited to make long, slim gowns; hand-painted effects on canvas.

It sounds arty-crafty, but the Dutch-born Thimister, who at one stage designed for Balenciaga, is a fashion sculptor more than a decorator. His molded satin jacket or crisp poplin shirt with seaskin skirt, shown with flat black boots, were modern takes on luxury.

**T**HEY come from the modernist fashion school pioneered by the Japanese and by Martin Margiela. But Thimister has a way of giving grandeur and amplex to current and relevant clothes.

It made a swell party when the Dutch duo Viktor and Rolf sent out clothes with inflated balloons in the upper chest, clown hats and everything from party favors to Christmas tinsel sewn inside.

But there was more to this show than its quirky, colorful, clownish exterior. The vintage fabrics had previously been used by couture designers from Chanel through Pucci and Courreges.

The party theme brought baroque pantsuits and a leather coat with mink polka dots. But the clothes were artfully cut — and to prove it, for the show's finale, the balloon paddings were punctured. The same tuxedos, coats and dresses came out gracefully draped.

Once again, artist-designers were exploring space and volume in fashion's voyage round the body.

# Where Jazz Meets the Tango

By Mike Zwerin  
International Herald Tribune

**E**LMAU, Germany — Gary Burton has been playing an increasing number of events that mix music with scholarly symposiums.

"These mixed events have become a sort of side occupation for me," he said, "maybe 500 of us exchanging information."

He talks about how the brain works when you improvise, and about how one musician knows what another is going to do next. "The fascinating people I meet from other fields like science and technology find these things mysterious," he said, "even though they are in fact doing something very similar in their world. The kind of thinking involved with the musical science is amazingly intuitive."

Veteran vibraphonist and recently appointed executive vice president and CEO of Boston's Berklee College of Music, Burton has been touring Europe this summer playing "Nuevo Tango" with the Astor Piazzolla Reunion Band. The Piazzolla Band's appearance as part of the JazzClassica Festival in the Schloss Elmau Hotel, coinciding as it did with a conference titled "The Leviathan — Jewish Modernity as Political Theology," certainly qualified as a "mixed event." The panel included scholars from the Hebrew University in Jerusalem, the University of Muenster and other European faculties. Its jumping-off point was "Philosophy at the Turn of the Century," and the Burton/Piazzolla evening, combining two forms of popular music both born at the turn of the century, was oddly relevant.

"Jazz and the tango are each a synthesis of various similar influences," Burton explained over a late dinner in



Burton, right, with his Astor Piazzolla Reunion Band.

the Wintergarden. "They developed around the same time in saloons and clubs and brothels. The '30s was a big band era for both. Then there were contemporary small groups in concert halls. Like this one here."

Burton and the quintet played a program of Piazzolla's tangos, which are heavily influenced by both jazz and the classics, specifically Gil Evans and Igor Stravinsky. They were considered heresy at first in Argentina. Piazzolla was called a traitor, he received menacing phone calls. A Buenos Aires taxi driver once pulled over and shouted at him: "Piazzolla, get out of my cab!" Later, however, he is being revived around the world by, for example, Gidon Kremer, Yo-Yo Ma, Daniel Barenboim and Richard Galliano.

Although sidemen frequently come together and form orchestras in the name of a late leader, called "ghost bands," the addition of Burton's vibraphone to Piazzolla's five original players (the young bandoneon star Marcelo Nisinman replaced the composer) makes music that has more to do with rebirth than death.

The jazzman's improvised obligatos

fit neatly into the new tango.

"One difference between the two forms," Burton said, "is that when you look at jazz and ask who made it happen, you come up with all sorts of names — Louis, Duke, Bird, Miles, Trane... When you look at the tango and ask the same question, it's only this one guy who singlehandedly invented the genre of modern tango. There's no parallel to that."

Burton, one of the greats on the instrument, was the first vibraphonist to be fluent with four mallets. He discovered he could improvise when the lights went out during a rehearsal and he was the only one to continue playing without written music.

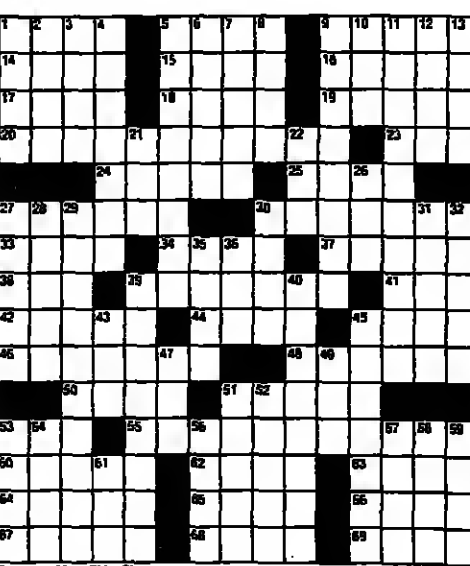
Having performed with his family band — "a sort of vaudeville act" — from Florida to Chicago, he has been on the road at least 100 nights a year since age 8. He first heard the music of Piazzolla in 1963 in Buenos Aires — he was only 20, already working with Stan Getz. Burton and Piazzolla began recording and performing together 20 years later. At the beginning, fans did not approve of a jazzman playing the tango.

Piazzolla, who died in 1992 and was called "the Argentine Villa-Lobos," began his "revolution" in the late 1940s. "You could change anything in Argentina," Piazzolla said. "Religion, the law, the political system, 20,000 presidents. Just don't change the tango. It was like a religious sect. Ask them who Bach, Picasso or John Coltrane was and they did not know. Once when Aaron Copland came to hear us, I said 'Play good, you guys. Aaron Copland is out there.' They said 'Who's that?' That was the world of the tango for you — drinking, drugs, prostitutes, police, gigolos, thieves. I got out of that business. I hated it. I found another way."

## CROSSWORD

- ACROSS**
- Regal showing
  - Apple's art
  - Kind of gun
  - Behaving bigwig
  - Long-legged wader
  - Soft palate projection
  - Crucifix inscription
  - Grasslands
  - Quiche Lorraine ingredient
  - Give a shellacking
  - Like Richard
  - Place for powder
  - Tony-winning actress Grimes
  - UO
  - Flamethrower fuel
  - Dinghy or wherry
  - "Put — on it"
  - Annet
  - The end of one's rope, maybe
  - Joplin composition
  - Lloyd Webber's "of Love"
  - Poisonous: Prefix
  - Give a shellacking
  - Like 45-Across
  - Not speaking to
  - Bushel and a peck
  - Unblinded
  - Kind of voyage
  - Hoosier Archibald
  - Laal's breathing orifice
  - Cockpit abbr.
  - Like some schemes
  - Spacious
  - Humpbacked helper
  - Missile housing
  - Smart guys
  - war bird (predatory flier)
  - See 45-Across
  - Not speaking to
  - Bushel and a peck
  - Unblinded

- DOWN**
- Gardener's equipment
  - Former Atlanta arena
  - Joan of art
  - Pitch on paper
  - Sophie's "choice" and others
  - Perpendicular to the keel
  - Bedside book
  - CF pin
  - Steam bath followers
  - She married Mickey, Arpe and Frank
  - Like Chapin's walk
  - Shin soother
  - Went off, in a way
  - Shakespearean prince
  - Author Umberto
  - Nigerian tribesman
  - They're always looking for deals
  - Burglar's bare
  - Like many a Rockwell kid
  - Enormous birds of myth
  - Together
  - Ross Perot, e.g.
  - Places to get 9-Dice
  - Anvian
  - February birthstone
  - Procrastinator's word
  - Ossier letters
  - Go-between
  - "Bad Behaviour" star Stephen
  - Dac bloc
  - "Love Story" author
  - Butchery selection
  - Composer Khachaturian
  - "Whatever" (1955 song)
  - What swish shots miss
  - Shade of green
  - Lamb's pen name
  - Word of warning
  - Former name of Universal Studios



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**Solution to Puzzle of July 21**

W	A	R	C	D	O	G	M	A	L	T
A	R	I	A	A	C	R	E	S	A	L
W	E	L	L	M	E	A	N	S	R	A
A	L	L	E	N	A	B	O	D	I	C
E	V	E	N	A	I	R	I	T	I	
V	E	I	N	E	D	I	N	E	D	
I	N	S	T	A	N	D	A	V	A	
C	E	L	E	B	R	I	T	I	T	
A	R	A	O	O	Z	E	S	A	S	
R	O	M	A	N	C	E	R	L	E	
K	K	K	S	A	M	S				
B	L	I	V	I	T	I	S	T	I	
L	O	O	M	T	O	R	A	H	E	
B	I	L	D	A	L	O	N	E		
A	S	I	O	R	A	W	E	R		
D	E	E	D							

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Brian Williamson returns to Liffe.

## Liffe Recalls Ex-Chief to Battle Rivals In Europe

Compiled by Our Staff From Dispatches

LONDON — The London International Financial Futures and Options Exchange said Tuesday it was bringing back a former chairman, Brian Williamson, to overhaul its strategy after two years of losing business to European rivals.

The exchange, known as Liffe, also said that Daniel Hodson, its chief executive for the past five years, would resign and be replaced in the next several weeks.

Mr. Williamson, 53, who was Liffe chairman from 1985 to 1988 and is current chairman of the British financial services company Gerard Group PLC, replaces Jack Wigglesworth, whose term ended in June. He will be the first full-time chairman for the exchange in its 16-year history.

The changes also come as Liffe fights to maintain its position as Europe's largest derivatives market in the face of competition from quicker and cheaper electronic trading systems and a changing landscape of alliances between European bourses.

Two weeks ago, the London Stock Exchange said it would work with Liffe's German archrival, the Deutsche Boerse AG, to build a single market for Europe's largest stocks.

"Liffe has lost out, and it's having to fight back," said John Hatherly, head of research at M&G Investment Ltd. "This change of management represents an effort to win business back."

The appointment of Mr. Williamson and Mr. Hodson's resignation came as a surprise. Liffe said it had been looking for an outsider to be its new chairman. Mr. Williamson, though he has not been with Liffe for 10 years, was one of its original founders and helped build it in the 1980s into Europe's first main competitor against futures exchanges in Chicago and New York.

Mr. Hodson presided over the exchange during a period of huge growth and a coming technological revolution.

The last year of Mr. Hodson's tenure has seen Liffe's fortunes take a roller-coaster ride from plans for a huge new building to a frantic search for ways to compete with an upstart rival.

Mr. Hodson said no pressure had been put on him to go and he had felt that his five years in the job were enough. "It needs new eyes, new ears, a new approach," he said.

Mr. Williamson returns to Liffe from Gerard, a financial services company that controls the brokers King & Shaxson Holdings and the fund manager Greig Middleton. He took a position with the company a year after leaving the Liffe chairmanship.

He has also been a director of the Bank of Ireland and of the Electra Investment Trust.

"He is immensely well respected in the city and understands it well," said Michael Stoddart, chairman of Electra. "He gets to the point very quickly and sees exactly what he wants."

Mr. Williamson will give up directorships except for Electra to take on the job, which pays £320,000 (\$527,300) a year. (Bloomberg, Reuters)

## Mongolia Gets Its Own Media Mogul

By Thomas Crampton  
International Herald Tribune

TERELJ, Mongolia — Since the time a spelling mistake almost landed him in prison, Ts. Baldorj's career as a newspaper journalist has improved considerably.

Within the last two years, Mr. Baldorj has borrowed enough money to build the country's largest media empire, encompassing five publications, including Onodori, the first privately owned daily newspaper in Mongolia, as well as a radio and television station.

"He is our Mongolian Rupert Murdoch and could become prime minister if he really wanted, but I think he prefers to stay in the background, pulling strings," said D. Arimbold, editor in chief of the Mongol Messenger, the state-owned rival of an English-language newspaper owned by Mr. Baldorj, The UB Post.

Despite keen capitalist instincts, the soft-spoken and bohemian-looking Mr. Baldorj — who, like other Mongolians, goes by his first name and the initials of his father's name because family names were banned by the Communists who formerly ruled the country — puts his moral and financial support behind the descendants of the Communists.

"The Mongolian People's Revolutionary Party has more experience in governing and they are much more qualified than the current government," Mr. Baldorj said through an interpreter. "The party has changed; this name is just a hangover from the old days."

Mr. Baldorj, 45, is in some ways himself a hangover from the old regime, and critics say his party connections have been crucial for the fast growth of his business. It was under the Soviet-backed Communist government that Mr. Baldorj reached the top ranks of the state propaganda machine, becoming editor of the official daily newspaper, Ardyn Erkh.

But this job almost ended with his imprisonment. While working at the newspaper under tight deadline one evening Mr. Baldorj switched one letter in Mongolian, transforming "the



Ts. Baldorj with some of the publications from his media empire.

Soviet premier" into "the Soviet commander." Reading his mistake the next morning, he feared the worst.

At the time, the atmosphere of distrust was so strong that members of the state censorship committee censored

one another and reporters were exiled to the Gobi Desert for minor infractions.

"I was very worried, but finally I did not go to prison for the spelling mistake," Mr. Baldorj said. "They just cut my salary by 25 percent for three months." The incident passed, but his career at the newspaper ended in 1996 after the defeat of the Communists in

Mongolia's second free elections. Asserting a new editorial independence and the right of the state-run newspaper to criticize the newly formed coalition government, Mr. Baldorj sparked an acrimonious national debate that ended with Parliament's voting to fire him. Half of the staff of the newspaper resigned in sympathy, joining Mr. Baldorj to start a new publication.

Few fault the editorial quality and independence of his publications, but Mr. Baldorj's critics say that only through his Communist connections could he have moved so quickly from editor to media baron.

See MONGOLIA, Page 15

## Japan Sounds Alarm On Economy's Future

Central Bank Chief Becomes More Pessimistic

Compiled by Our Staff From Dispatches

TOKYO — Masaru Hayami, the Bank of Japan governor, said Tuesday that the state of the economy was deteriorating and suggested that recent monthly economic reports from the central bank may have been too optimistic.

"Our nation's economy has worsened. Capital investment and employment have declined, especially at midsize companies," Mr. Hayami said. "The Bank of Japan's judgment may have been too loose" since the economy took a downward turn in November.

Mr. Hayami made the comments after the central bank lowered its assessment of the economy in its monthly report for July. The bank said demand remained weak, businesses were more pessimistic about the future and prices would continue to be "weak for some time."

The central bank warned that a 16.6 trillion yen (\$119.6 billion) stimulus package announced in April, with huge spending on public works and temporary tax cuts, might not bring the long-promised recovery.

"The positive influence of the package on private demand will likely be limited and the economy's immediate transition to a self-sustained recovery is hardly expected," it said.

Stagnant private consumption, which is showing little sign of recovery, is causing inventories to remain high and declines in industrial production to accelerate, the central bank said. Housing investment is still weak and fixed business investment "has decreased significantly," it warned.

The auto industry has also been hit hard. The five major Japanese automakers on Tuesday reported declines in domestic sales and production for the six months through June.

But the five — Toyota Motor Corp., Nissan Motor Co., Honda Motor Co., Mitsubishi Motors Corp. and Mazda Motor Corp. — managed to post gains in exports thanks to a weak yen.

Toyota and Nissan, the two biggest, said they had incurred double-digit declines in output and sales in the first half because of sluggish domestic sales.

"The current slump is one of the worst ones the Japanese auto industry experienced so far," said Masato Ogasawara, an analyst at Daiwa Research Institute.

Mr. Hayami said the central bank had little room to lower interest rates to stimulate a recovery. He said policymakers had discussed a reduction of the target for the overnight interbank rate at their latest meeting on July 16, though the bank kept its policy unchanged at the meeting.

The bank cut its discount rate, the rate it charges banks for overnight loans, to a record-low 0.5 percent in September 1995. The bank has held its target for overnight interbank loans just below the discount rate since then.

Central bank policymakers agreed at a meeting on May 19 that an interest-rate cut should be a last resort in the event of an economic emergency, according to minutes of the meeting. The bank will release minutes of the most recent meeting next month.

Mr. Hayami said he opposed increasing money supply to create growth.

Takafusa Shioyama, deputy chief of the Economic Planning Agency, said this month the central bank should consider increasing funds in the system to artificially spur inflation despite weak demand and to avert a risk of deflation.

The comments, echoed by Taku Yamazaki, policy chief of the governing Liberal Democratic Party, have fueled speculation that the central bank may increase purchases of government bonds from financial institutions.

But the plan would have adverse effects on the economy, one economist said. "The inflation rate is just like body heat, and an attempt to intentionally raise it would cause a variety of distortions," said Susumu Takahashi, chief economist at the Japan Research Institute.

An increase in the money supply would push down market interest rates and further weaken the yen against major currencies by reducing returns on yen-denominated assets, Mr. Takahashi said.

A weaker yen puts pressure on countries such as China, South Korea, Malaysia and Indonesia to allow their currencies to fall to maintain export competitiveness.

In addition, there is no guarantee that increased money supply will spur lending and stimulate corporate activity, Mr. Takahashi said. Japanese banks are cutting lending because of concern that loans will turn sour amid the prolonged recession, he said. (Bloomberg, AFP)

## Investing by the Numbers

'Quants' Stick by Disputed Approach to Trading

By Joseph Kahn  
New York Times Service

NEW YORK — Put some of the world's smartest math scholars together with the fastest computers. Give them a wealth of historical data and a few billion dollars. Do they have a chance of predicting swings in the stock market?

David Shaw, a computer-science professor turned Wall Street trader, believes that his chances are not much better than the odds of picking red or black correctly in roulette. Mr. Shaw has all the tools at his disposal — the brains, the computers, the data and the money. But each time his secret algorithms spot a buy or sell opportunity in stocks or bonds, he figures his chances of making money are only marginally better than if he flips a coin.

Mr. Shaw is a quant, or a quantitative trader, who uses algorithmic and statistical analysis of market data the way other investors use research on individual companies and instincts.

He is among the most successful of a generation of scholars who have left their ivory towers in the last 20 years to try their skills at hedge funds and big investment banks. A great deal of fanfare greeted their arrival on Wall Street, with some analysts predicting that mathematical models would revolutionize the way money is made or lost in the financial markets.

It has not. Math has made a few multimillionaires, including Mr. Shaw. But the quant business has become a highly specialized and professional one —

small, competitive and, only sometimes, a lucrative way to manage money.

Quant funds now control perhaps 5 percent of all the money invested in stocks, and a greater part of the speculative capital invested in futures and options. But only a few people make a good living playing the stock-market numbers game and some of the most prominent names in quantitative-oriented proprietary trading, like Salomon Smith Barney, are getting out of the business altogether.

"A few people have done well but the majority of people have not and many have been forced out," Mr. Shaw said. Quant trading relies on the work of a British hydrologist, who, pondering the mysterious repetition of droughts and floods on the Nile at the turn of the century, produced the theory that seemingly random events, like the roll of the dice and the flip of a coin, are not necessarily perfectly random.

He was H.E. Hurst, and his contribution to statistics is the Hurst exponent, which measures the probability that one event — like a flood or a surge in the Standard & Poor's 500 stock index — is likely to closely follow a similar event.

This theory, with many mutations, lies at the heart of quantitative active trading strategies today. No serious quant trader aspires to predict tomorrow's price of, say, Ford Motor Co. shares. But most rely on computers that take into account many variables, like economic conditions, analysts' recom-

See SMART, Page 15

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Swk	HK	Ind
Australia	2.07	1.37	1.72	1.93	0.14	1.48	1.33	1.33	1.33
Canada	1.36	0.71	0.90	1.01	0.07	0.71	0.67	0.67	0.67
France	1.66	0.93	1.00	1.00	0.07	0.93	0.88	0.88	0.88
Germany	1.66	0.93	1.00	1.00	0.07	0.93	0.88	0.88	0.88
Italy	1.93	1.07	1.16	1.16	0.08	1.07	1.01	1.01	1.01
Japan	110.00	61.00	65.00	65.00	1.00	110.00	103.00	103.00	103.00
UK	0.71	1.00	1.00	1.00	0.07	0.71	0.67	0.67	0.67
US	1.00	0.71	0.90	1.01	0.07	1.00	0.93	0.93	0.93
Other Dollar Values									
Argentine	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Australia	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Canada	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
France	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Germany	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Italy	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Japan	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
UK	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
US	1.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Forward Rates									
Canada	1.36	0.71	0.90	1.01	0.07	0.71	0.67	0.67	0.67
France	1.66	0.93	1.00	1.00	0.07	0.93	0.88	0.88	0.88
Germany	1.66	0.93	1.00	1.00	0.07	0.93	0.88	0.88	0.88
Italy	1.93	1.07	1.16	1.16	0.08	1.07	1.01	1.01	1.01
Japan	110.00	61.00	65.00	65.00	1.00	110.00	103.00	103.00	103.00
UK	0.71	1.00	1.00	1.00	0.07	0.71	0.67	0.67	0.67
US	1.00	0.71	0.90	1.01	0.07	1.00	0.93	0.93	0.93

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## THE AMERICAS



## Very briefly:

- Nova Corp., a Canadian chemicals maker, agreed to buy most of Huntsman Corp.'s European and North American styrenics businesses for \$920 million in cash and stock.
- Mobil Corp. and Royal Dutch/Shell Group have re-negotiated with Peru over a disputed \$3 billion liquefied-petroleum venture after saying last week they were quitting the project, a Mobil official said.
- Exxon Corp.'s profit declined nearly 18 percent in the second quarter to \$1.62 billion, reflecting weaker crude oil prices. Revenue fell 13 percent to \$29.6 billion.
- Philip Morris Cos.' earnings fell 2 percent in the second quarter to \$1.80 billion as revenue rose 3.1 percent to \$19 billion. The latest results reflected pretax charges of \$214 million for the costs of an early retirement program.
- Sprint Corp.'s second-quarter profit dropped 16 percent to \$213.5 million, as investments in telecommunications ventures offset increased sales of long-distance telephone service.
- Tenneco Inc., in a bid to increase its value, said it was assessing a range of strategic options, including separating its automotive and packaging businesses into stand-alone companies.

## Vanguard Admits Index Funds Move Markets

By Edward Wyatt  
New York Times Service

NEW YORK — The Vanguard Group moves markets. Just look at its recent introduction of two index funds that specialize in small-cap stocks.

On May 21, when Vanguard began funneling \$137 million into the stocks that make up the Standard & Poor's Small Cap 600 index, the index surged higher, even as every other major stock index declined.

"When we began investing that money, we were trading all day," said George Sauter, a Vanguard managing director who oversees the company's \$115 billion of stock index funds. "I think we had a bit of an impact on small-cap stocks that day."

That is a startling admission from a company that has long denied that its popular index funds affect the market benchmarks they track.

One reason that Vanguard could push prices higher is that small-cap stocks tend to be less liquid than larger stocks — that is, they have fewer owners and their shares trade less frequently, making their prices more volatile.

Whether Vanguard moves big-stock indexes, like the Standard & Poor's 500, when it places big buy or sell orders, remains a subject of debate. Mr. Sauter adheres to the longtime Vanguard stance and says no. Among large-cap stocks, he said in a recent interview, "our effect on the market is more one of noise."

But other market analysts say Vanguard definitely pushes around the S&P 500 and other large-cap indexes. "You see it very often near the end of the day when they come in and buy 400 to 500 stocks in one fell swoop," said Laszlo Birinyi, president of Birinyi Associates, a Connecticut market analysis company.

The debate is important because indexing has become the primary growth vehicle of the mutual-fund industry, helping to fuel the rise in big stocks. A reversal of that trend would presumably contribute to the market's decline as well.

Over the last five years, barely one in 10 mutual funds that invest in a broad array of U.S. stocks has been able to keep pace with the S&P 500 index. Not surprisingly, ever greater numbers of Americans are choosing to buy funds that mimic the index, rather than try to beat it.

In the first five months of this year, 18 percent of the \$107 billion of net cash flows into equity mutual funds went to index funds, according to Strategic Insight, a New York mutual-fund research and consulting company. That is up from 14 percent early last year and 11 percent in the comparable period in 1996.

No one is bigger in the index-fund business than Vanguard, whose S&P 500 fund is nearly five times the size of its nearest competitor. Mr. Sauter's admission that Vanguard affected small-cap stock prices is borne out by the performance of the indexes in the days before and after May 21.

On 10 of the 13 days before May 21, and on each of the three following days, the S&P Small Cap index moved in the same direction as the other major small- and large-cap stock indexes — the Russell 2000 index, the Nasdaq composite, the S&P 500 and the Dow Jones industrial average.

But only on Thursday, May 21, did the S&P Small Cap index zig while the others zagged. That day, the small-cap average rose about 0.2 percent, while each of the other four indexes fell by one-quarter to 0.6 percent.

## Dollar Rises On Warning About Prices

NEW YORK — The dollar rebounded against the Deutsche mark and the yen Tuesday after warnings from the Federal Reserve Board chairman, Alan Greenspan, that there is a significant risk of higher inflation in the United States.

"The fact that he was a little more hawkish than many thought he would be and that he pointed out

## FOREIGN EXCHANGE

many of the ills in Japan had people more inclined to buy dollars again," said Eric Nickerson, currency strategist at Bank of America.

Mr. Greenspan's warning about the prospect of inflationary pressures bubbling up in the future got the most attention in the currency market, as it raised the possibility of higher interest rates.

The dollar was quoted at 4 P.M. at 140.350 yen, up from 138.825 yen.

Mr. Greenspan, who was giving his semiannual report to Congress on the U.S. economy, also reiterated his call for Japan to enact "more stimulative fiscal policies" and said it needed to address the bad-loan problems in its banking system in "dramatic ways."

The dollar gained ground against the mark on Mr. Greenspan's remarks and the International Monetary Fund's decision late Monday to release less in immediate emergency aid to Russia than the market was expecting. Germany and Russia are major trading partners.

The dollar also rose to 1.5100 Swiss francs from 1.5060 francs and to 5.9920 French francs from 5.9750 francs. The pound fell to \$1.6440 from \$1.6478.

## Executive Shift For Microsoft

Compiled by Our Staff From Dispatches

REDMOND, Washington — Steve Ballmer, a Microsoft Corp. vice president, was named president of the giant software company Tuesday.

The appointment gives Mr. Ballmer, who has headed Microsoft's sales and marketing, the responsibility for day-to-day management of the company, freeing the chairman, Bill Gates, to focus on strategy.

Separately, Seagate Technology Inc. fired its chairman and chief executive, Alan Shugart, a colorful figure who was a co-founder of the struggling disk-drive company. The company named its president, Stephen Luczo, 41, to replace the 67-year-old Mr. Shugart. (AP, Bloomberg)

## GREENSPAN: A Pledge to Resist Inflationary Pressures

Continued from Page 1

which so far has had salutary effects on the United States.

In response to a question from Senator Paul Sarbanes, Democrat of Maryland, about why U.S. stock and bond prices were rising in the face of the problems in Asia, Mr. Greenspan said that the effects so far have been "positive" for the American economy, keeping inflation low and encouraging economic growth.

He added that he did not think the crisis was likely to spill over to the American economy, but there was a small chance that it might. If it did, "the impact would be of a nature that we should not be taking the risk even with the relatively small probability of an adverse event."

Mr. Greenspan later said that he supported providing new money for the International Monetary Fund to resolve the Asia crisis. After the problems are resolved, he added, it might make sense to re-evaluate the IMF's functions in light of changes that have occurred in world financial markets.

Closer to home, Mr. Greenspan warned that stock prices may be too high because analysts have over-estimated corporate profit growth. "Their current level projects a very marked rise in profit margins and the share of profits in the national income," Bloomberg News quoted him as saying in response to a question from Senator John Kerry, Democrat of Massachusetts.

Such "projections are unrealistic," he added.

In a written version of his testimony, parts of which he did not read to the senators, Mr. Greenspan said that the speed with which Japan deals with its economic problems "will be a key factor in shaping U.S. economic and financial trends."

Later, in response to a question, he advised Japan to emulate the American approach in dealing with its banking crisis a decade ago, echoing previous calls by the U.S. administration. Because there is little trading in Japanese real estate at this time, he said, banks do not know the value of the collateral pledged to property loans they have made.

He said the country should "do what we did" with the Resolution Trust Corp., "that is, to regulate the real estate market so you get real prices, you can get real markets, you can make far better judgments about the underlying collateral of loans, which is a necessary condition to

making a judgment of how bad they are."

"Allowing the problem to fester as long as it has been allowed to fester has been a major mistake," he said.

The Nasdaq composite index, which had been higher for most of the day, was down 35.11 points, at 1,979.14. The Standard & Poor's 500-stock index closed 19.03 points lower at 1,165.07.

Bond prices dropped as the text of the speech was circulated, probably because it contained several references to the possibility of inflation and the implication that the Fed would raise short-term interest rates to counteract pricing pressures.

But as the market considered the remarks and the subsequent question-and-answer session with the senators, bond prices recovered and the yield on the 30-year Treasury bond fell to 5.66 percent from 5.72 percent on Monday.

## Texas Instruments' Profit Drops 83% as Chips Get Cheaper

The Associated Press

DALLAS — Texas Instruments Inc. said Tuesday that its second-quarter profit dropped 83 percent because of falling prices for semiconductor chips and a one-time charge to pare down the company.

The chip company said it earned \$43 million in the quarter ended June 30. In the like profit a year earlier, it earned \$249 million.

Revenue fell to \$2.2 billion from \$2.6 billion, but by lower prices for

memory chips and general weakness in the semiconductor market.

The company said it expected pressure on chip sales and profit margins to continue in the third quarter. As a result, the company said it was "stepping up efforts" to further cut discretionary spending.

TI set aside \$233 million before taxes in the quarter to pay for a restructuring that included the sale of its memory chip business to Micron Technology Inc. and the elimi-

nation of 3,500 employees through layoffs and attrition.

On the positive side, Texas Instruments said chips used as the brains in mobile phones met strong demand.

The company's share rose \$2 to \$60.9375.

Price wars in computer chips also led International Business Machines Corp. to report a flat second-quarter profit, although the result beat Wall Street forecasts and the share price

surged \$6 to \$128.

IBM said last Monday that it earned \$1.45 billion in the quarter, roughly even with the like quarter a year earlier.

Revenue slipped slightly, to \$18.2 billion from \$18.87 billion, dragged down by a 12.7 percent drop in overall hardware sales.

The company also cited slow sales of personal computers and reduced consumer demand because of the Asian economic slump.

## U. S. STOCK MARKET DIARY

Most Active

July 21, 1998

High Low Last Chg

Dow Jones

NYSE

NASDAQ

Standard &amp; Poor's

NYSE

NASDAQ

NYSE

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## INTERNATIONAL FUTURES

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## EUROPE

Pernod  
Cuts Ties  
To Diageo

Continued from page 12

PARIS — Pernod Ricard SA, a French liquor company, said Tuesday it was severing distribution ties with Diageo PLC, prompting concern other companies might disaffiliate with the world's largest spirits group.

Pernod Ricard said it would not renew pacts for the distribution of its Wild Turkey bourbon in Japan and the United States, the biggest market for that product.

"We think that both in the U.S. and Japan we can do better commercially," said a spokesman for Pernod.

The French company originally signed the distribution pact with Grand Metropolitan PLC, but then found itself competing with rival bourbons when GrandMet merged with Guinness PLC last year to create Diageo.

"The creation of the beverage giant 'has led a lot of companies linked to Diageo to reconsider their alliances," said Thierry Jacquillat, Pernod's chief operating officer.

Pernod predicted that sales of Wild Turkey would rise sharply once the agreement with Diageo expired.

"We think that our sales force is more motivated for selling our products," the Pernod spokesman said.

Wild Turkey is one of Pernod's fastest-growing brands in terms of sales. It is currently distributed in the United States and Japan by Heublein Inc., which is part of Diageo.

Diageo is also involved in a dispute with Jose Cuervo, a Mexican tequila maker, about an agreement for Diageo to distribute its tequila in the United States until 2010. Like Pernod Ricard, Jose Cuervo signed the pact with GrandMet before its merger with Guinness. Diageo is waiting for a U.S. court ruling about whether the merger constitutes a change in their partnership. (Bloomberg, AFP)

## VW's 'Dream Factory' Wakes Up to Reality

Bloomberg News

SAO PAULO — When Volkswagen AG opened a truck assembly plant in Resende, Brazil, executives hailed it as the factory of the future. But nearly two years later the "dream factory" has not turned out as hoped.

Volkswagen promised that the primary innovation — letting suppliers build the vehicles on the assembly line while it acts as overseer — would set new global efficiency standards.

But Volkswagen does not make that claim today. The Resende plant falls far short of industrywide standards, both for productivity and for its ability to avoid costly repairs during the final stages of the assembly.

"VW forfeited too much control to suppliers," said Michael Hammons, an automotive analyst for Ernst & Young LLP in Sao Paulo. "Nobody was in charge."

No one is calling Resende a failure. Other automakers continue to study its "modular" manufacturing,

in which suppliers design, build and deliver major subassemblies, such as a complete front end, rather than bundles of individual parts. That minimizes automakers' investments and forces them to do what they do best — engineer vehicles, work on quality, and serve customers.

What is not winning many true believers is whether the best way to build trucks is to bring everyone under one roof and rely so heavily on suppliers' ability to coordinate with each other.

"It is difficult to say that we have gains or losses in productivity," said Roberto Barreli, director of operations at Resende. "Give me a little bit more time."

Resende is the brainchild of Jose Ignacio Lopez de Arriortua, a former VW executive. Mr. Lopez had jumped to VW in 1993 from General Motors Corp., which later accused him of stealing plans for a Resende-style factory. Mr. Lopez, who denied the charges, resigned from VW in 1996 as the company agreed to a

51.1 billion out-of-court settlement. The plant is 155 miles (250 kilometers) northeast of Sao Paulo. Its seven major suppliers contributed a third of its \$250 million construction costs and employ three-quarters of its 1,365 workers. Meritor Automotive Inc. of the United States, for example, installs axles and suspension components. VDO Kienzle AG, a unit of Mannesmann AG of Germany, installs dashboards and seats.

There are several benefits, in both theory and practice. Because VW can devote less capital investment to individual components like axles than Meritor, it relies on Meritor for cutting-edge technology. Mr. Barreli said. Inviting Meritor to install axles brought it into closer contact with VW customers, fostering quick response to changing consumer tastes, Mr. Barreli said.

Sergio Carvalho, Meritor's general manager for truck components, said, "It allows us to see more clearly how our axles and suspensions match with the trucks every

day, so we can be more exact in the manufacturing process."

The suppliers are paid only as completed trucks leave the factory, instead of the usual arrangement of delivering parts at a rate and price specified in a contract. While that creates shared risk and encourages suppliers to help each other and keep production flowing, it also creates the potential for coordination problems.

One-third of the 7.4 vehicles built daily at Resende need repairs before they pass final inspection. To meet world-class standards, that figure should be no more than 10 percent, said James Harbour, chairman of Harbour & Associates, a manufacturing consulting company in Michigan. Currently, the Resende plant needs roughly twice as many labor hours to build trucks as U.S. factories, Mr. Harbour said.

Mr. Barreli attributed the problems to inexperienced workers, some defective parts and scheduling difficulties in the flow of parts on the shop floor.

## Bouygues Seeks to Cancel Shareholder Pact

Bloomberg News

PARIS — Bouygues SA, Europe's largest construction company, asked a court Tuesday to cancel an agreement with its key shareholder in a dispute over whether it should diversify into industries such as telecommunications.

Chairman Martin Bouygues summoned the business executive, Vincent Bolloré, to court to annul a December pact designed to stem the risk of conflict.

The agreement had turned the two men, once schoolmates, into foes as

Mr. Bolloré refused to sign the company accounts, challenged Bouygues management and criticized its commitment to telecommunications.

If Martin Bouygues shakes free of the pact, he could buy more shares or forge new alliances to seal control of the company his father created 46 years ago.

Mr. Bolloré will also have the leeway to increase his stake, but he will lose the three board seats he used to challenge Bouygues' management. A Bolloré victory, meantime,

means both sides will be unable to sell or increase their stakes for five years. "The outcome of the court battle will shape the structure, and the power sharing, at Bouygues for years to come," said Marie-Christine Livinier, an analyst at Transbourse in Paris.

The Paris commercial court will decide in October whether Bouygues has the right to cancel the pact on the grounds that Mr. Bolloré failed to live up to his side of the agreement because he challenged Bouygues management.

Deutsche Telekom can't hang up on first telecom users

## Deutsche Telekom Can't Hang Up on First Telecom Users

Bloomberg News

FRANKFURT — Deutsche Telekom AG must immediately restore a toll-free number that customers use to connect with rival First Telecom GmbH, which Germany's dominant phone company cut off Friday, a district court ruled Tuesday.

Deutsche Telekom said it would appeal. A Hamburg District Court upheld an injunction sought by First Telecom after Telekom cut off its 0-800 toll-free access number.

Deutsche Telekom disconnected the line because it was losing money

from the competitor's special offer for mobile phone rates, which it claims violated the contract existing between the two companies.

"If Telekom's accusations are correct, then you'd have to ask, why shouldn't they cut off First Telecom?" said Ralf Hallmann, an analyst at Bankgesellschaft Berlin AG.

Deutsche Telekom cut off First Telecom's 0-800 number at 4 P.M. Friday, giving the company five minutes' notice.

Deutsche Telekom argues its action was justified because it was

losing about 50 pfennig (28 cents) for every minute that First Telecom customers spent calling from their mobile phones to fixed-network numbers. This was because Deutsche Telekom had to pick up the interconnection charge for transferring calls to the fixed network.

First Telecom paid from 5 pfennig to 10 pfennig a minute, depending on time of day, to rent the 0-800 number. This did not cover interconnection charges of between 50 pfennig to 60 pfennig a minute, Deutsche Telekom said.

Roche Unit Sold  
For \$3.5 Billion

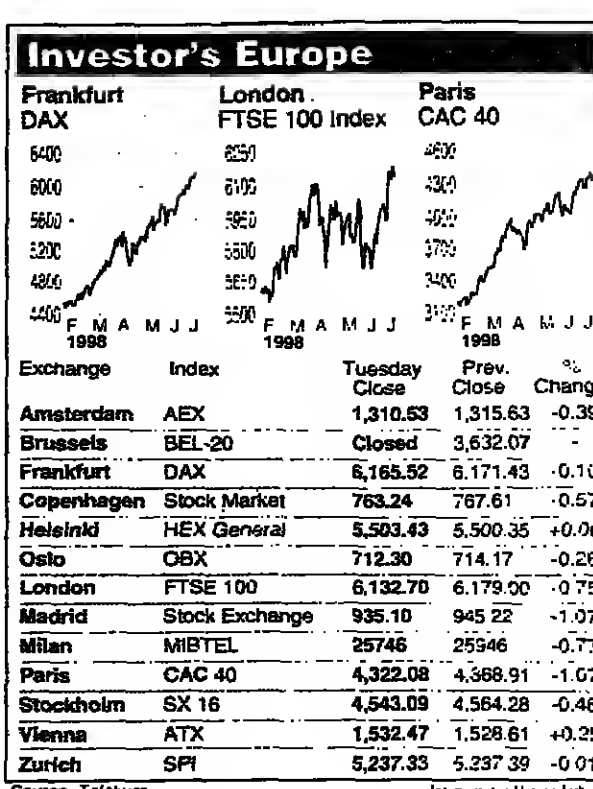
Bloomberg News

BASEL, Switzerland — Johnson & Johnson agreed Tuesday to buy DePuy Inc. for \$3.5 billion in cash, with Roche Holding AG selling its stake to focus on drugs and diagnostics.

Roche said it would sell its 84 percent of DePuy for \$2.9 billion. Johnson & Johnson, the maker of Band-Aids and the painkiller Tylenol, will offer \$35 a share for the other 16 percent of DePuy, a spinal implant maker. Roche bought its stake in 1997 with its \$10.2 billion purchase of Corange Ltd.

The purchase will make Johnson & Johnson one of the world's biggest makers of orthopedic products, amid expectations that the health-care industry will continue to consolidate to cut companies' research and development costs. Roche, meanwhile, will get cash it plans to use to expand its main businesses.

The DePuy purchase is "a very important strategic addition," Johnson & Johnson Chairman Ralph Larsen said.



## Very British

• Royal Borsessan NV agreed to sell its Borsessan Distilleries division to the Dutch venture-capital company CVC Capital Partners. The sale price was not released.

• The Bundesbank said growth in the M-3 money supply rose to 5.3 percent in June from 4.4 percent in May, but remained under the bank's upper limit of 6 percent, cementing expectations the bank would not raise interest rates.

• Munich Re, the world's largest reinsurer, plans to set up an asset management company with its primary insurance unit Ergo Versicherungsgruppe AG to better manage its funds.

• SmithKline Beecham PLC reported pre-tax profit of \$802 million (\$1.3 billion) in the first half of 1998, an increase of 6 percent from a year ago.

• Romania's currency, the leu, continued to slip even though the central bank intervened by selling dollars. The dollar rose to 8,692.5 leu from 8,677.5.

• The National Bank of Poland sold about \$100 million worth of zloty to stem the currency's rise. The dollar fell to 3,418 zloty from 3,460.

• Airtours PLC of Britain purchased Direct Holidays PLC for \$80.7 million.

• Dassault Systems SA, the world's No. 2 maker of design software, said second-quarter earnings before items and after taxes rose 59 percent, to 112 million French francs (\$18.7 million).

• Total SA, the second-largest French oil company, bought 10 percent stakes in Gasoducto GasAndes (Argentina) SA and in Gasoducto GasAndes SA of Chile. Total declined to say how much it paid for the stakes.

• Denmark's consumer confidence fell to a five-year low in July, according to Danmarks Statistik, the national statistics office. The consumer confidence index fell to minus 4 from plus 3.

## WORLD STOCK MARKETS

Tuesday, July 21

Daily prices in local currencies.

Tel Aviv 35.00

Tokyo 14,100.00

London 4,200.00

Frankfurt 4,200.00

Paris 4,200.00

Amsterdam 4,200.00

Brussels 4,200.00

Copenhagen 4,200.00

Helsinki 4,200.00

Oslo 4,200.00

Stockholm 4,200.00

Sydney 4,200.00

Auckland 4,200.00

Wellington 4,200.00

Nairobi 4,200.00

Lima 4,200.00

Buenos Aires 4,200.00

Santiago 4,200.00

Rio de Janeiro 4,200.00

Sao Paulo 4,200.00

Lisbon 4,200.00

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Seville 4,200.00

Zaragoza 4,200.00

Bilbao 4,200.00

Vigo 4,200.00

Oviedo 4,200.00

Gijón 4,200.00

León 4,200.00

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Segovia 4,200.00

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## ASIA/PACIFIC

China Plans  
To Combine  
2 Brokerages

Bloomberg News

SHANGHAI — China plans to merge J&A Securities Co. and another brokerage after auditors discovered financial irregularities at the army-backed J&A, employees said Tuesday.

The forced combination with China Guotai Securities Co. would create a company with about 23 billion yuan (\$2.8 billion) in assets, eclipsing Shenyin & Wanguo Securities Co., China's largest securities firm, and itself the product of a state-ordered merger.

It would also rein in J&A, which, backed by the People's Liberation Army, built itself into one of China's largest stock traders in less than six years.

China's cabinet, the State Council and the China Securities Regulatory Commission will send a special working group to coordinate and help with the merger, said a J&A departmental manager who declined to be named. Details of the merger were not available yet, he said.

Officials at the Shanghai-based Guotai said they expected to take over management of J&A, based in Shenzhen, as a prelude to a full merger. Chinese regulators ordered the move after four J&A executives were summoned to Beijing last week as part of an investigation into J&A, the South China Morning Post reported.

The merger is part of China's effort to clean up its eight-year-old financial markets and build a domestic securities industry. For many Chinese securities firms, rules are still there to be broken, officials say.

Guotai has total assets of 8 billion yuan and its shareholders include major state-owned banks such as the Industrial & Commercial Bank of China, the China Construction Bank, the Agricultural Bank of China and the Bank of China, employees said.

Last week, Mr. Zhang and three other J&A executives — the general manager Yang Jun, the deputy general manager Kang Xiaoyang, and the head of mergers and acquisitions Zhou Zhengkang — were summoned to Beijing after a government audit found 1 billion yuan missing from the company accounts, employees said.

J&A said that "individuals" were being investigated for "personal problems." It has also taken out advertisements in Hong Kong newspapers denying reports of trading losses.

## Beijing's Makeover for Amway

With Revisions, Firm Is Allowed to Resume Sales Operations

By Joseph Kahn  
New York Times Service

China has backtracked from a blanket ban it imposed on direct selling to consumers just three months ago, allowing Amway Corp. — a distributor of soap and hair-care products — to resume operations there and lifting its Asian division's share price more than 30 percent.

The reversal of the order came as a surprise, given the vehemence with which Beijing officials had defended the ban when it was ordered last spring. The government said at the time that the direct-selling operations functioned as financial pyramid schemes and

contributed to social unrest.

But the reversal illustrates a reality of doing business in China, where negotiations often take place only after the summary passage of laws and regulations. Exceptions to new rules are often allowed after they are instituted.

The plan requires some modifications in the way that Amway operates, company officials said. Amway's agents will no longer purchase the company's household products before reselling them to consumers. Instead, the agents will act as conventional salespeople, earning a commission on sales to the users without taking financial risks themselves.

The relaxation of Chinese rules in this case will not necessarily help other direct sellers. The new order requires that direct-sales companies invest at least \$10 million in China and that they maintain similar operations in other countries, a test that many companies are unlikely to pass.

Amway, based in Ada, Michigan, was the largest direct seller in China, with roughly 70,000 independent sales agents nationwide and about \$180 million in sales last year.

Acceptance of the revised plan helped shares of Amway Asia Pacific Ltd. rise \$5.45 to \$23.58 in New York on Monday, Bloomberg News reported. In late trading Tuesday, shares rose \$2.37 to \$25.95.

China Calls  
For Increase  
In Spending

The Associated Press

BEIJING — A Chinese deputy prime minister has renewed calls for more spending on infrastructure projects to stimulate the flagging economy, the official China Daily said Tuesday.

The China Daily quoted Deputy Prime Minister Li Qiang as saying the government would increase the budget for infrastructure projects. The newspaper gave no indication, however, of how big the increase might be.

Mr. Li's call follows reports last week that the economy grew 7 percent in the first half of the year, below the 8 percent rate the government considers crucial for creating jobs for rising numbers of workers laid off from foundering state industries.

The government already has earmarked massive funding for roads, bridges, housing and energy plants to boost the economy, but the economy is still lagging from the Asian economic crisis.

The city of Beijing plans to spend 116.5 billion yuan (\$14.07 billion) on public-works projects to be completed in time for the 50th anniversary of Communist Party rule next year.

Government economists have blamed the slower growth in part on slack domestic demand and a drop in exports because of the weaker economies of Asian trading partners.

## Investor's Asia

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong Hang Seng	12000	8,564.25	8,383.25	+2.14
Singapore Straits Times	1750	1,082.52	1,082.52	0.00
Tokyo Nikkei 225	17000	16,554.08	16,570.78	-0.09
Kuala Lumpur Composite	1500	437.82	445.28	-1.65
Bangkok SET	1100	297.34	297.74	-0.13
Seoul Composite	1000	361.74	365.18	-0.92
Taipei Stock Market Index	1000	7,949.20	8,047.67	-1.22
Manila PSE	1000	1,762.65	1,724.45	+2.19
Jakarta Composite Index	1000	488.28	488.28	0.00
Wellington NZSE-40	1000	2,457.28	2,168.34	+13.32
Bombay Sensitive Index	1000	3,383.30	3,384.75	-0.04

Source: Reuters International Herald Tribune

## Very briefly:

- Renong Bhd., the biggest construction group in Malaysia, asked creditors not to exercise an option that requires Renong to buy 112 million shares of its Time Engineering Bhd. unit from creditors for 9.80 ringgit (\$2.38) each. That is 26 times the market price of Time Engineering shares, which have plunged in value. Meanwhile, Time Engineering said it would sell its Time Telecommunications Holdings telephone unit to a "strategic partner" that it did not name, as part of a plan to raise cash and restructure its debt.
- Samsung Motors Inc. of South Korea, which started making cars in March, submitted an unspecified offer for Kia Motors Corp., the first since it was put up for auction.
- Microsoft Corp. strengthened its hold on the computer operating systems business in Japan last year, capturing 90.5 percent of the market, up 4.5 percentage points, according to the Gartner Group, a consulting firm.
- Reliance Industries of India, a textile and petrochemical conglomerate, reported net profit rose 18 percent to 4.41 billion rupees (\$103.7 million) for the three months through June.
- Dai-ichi Kangyo Bank Ltd. of Japan has taken a controlling stake in an ailing medium-sized securities house, Kankaku Securities Co. Dai-ichi Kangyo bought new shares worth 30 billion yen (\$216 million), raising its stake in the brokerage firm to 54.1 percent from 30 percent.
- Pakistan, hurt by U.S.-led sanctions to punish it and India for nuclear tests, unveiled an economic package that it hopes will curb imports, increase exports and encourage reluctant depositors to invest dollars in Pakistan. The package includes restrictions on currency transactions and imports, as well as efforts to increase the tax base.
- Thailand's cabinet approved plans to partially privatize the Airports Authority of Thailand and to expand the capacity of a planned second international airport for Bangkok. After privatization, the government will continue to hold a 70 percent share in the airport agency. The new airport is to begin operations in 2004.

AFP, AP, Bloomberg

## Vietnam Downgrades Outlook for Economy

Reuters

HANOI — The standing committee of the National Assembly of Vietnam on Tuesday officially lowered major economic targets for 1998, revising its economic growth forecast to 6 to 7 percent from 9 percent.

"The economic situation in our country faces many difficulties. It is hard to reach many major targets for 1998 which had previously been approved," a committee statement said. The standing committee carries out day-to-day activities of the National Assembly.

The committee said it now ex-

pected inflation to rise to nearly 10 percent for the year. The previous official target had been just under 7 percent. The committee said the export growth target for 1998 was now 10 percent. No previous target was mentioned, but exports last year grew 22 percent, according to the government.

Growth in industrial output was estimated at 10 to 11 percent, while growth in agricultural output was forecast at 3 to 3.5 percent. Last year these sectors were reported to have grown by 13.2 percent and 4.6 percent, respectively.

The economy of the Communist-ruled country has shown clear signs of strain amid the crisis sweeping through Asia, with a plunge in pledges of new foreign investment and a big drop in export growth in the first half of the year. Internal economic weaknesses such as red tape and corruption have exacerbated the problems.

The International Monetary Fund and the Asian Development Bank have both predicted economic growth of 5 percent for 1998, down from the 8.8 percent that Vietnam reported for last year.

## RUSSIA: Moscow Leaders Hail IMF Loan as Opportunity to Achieve Solvency

Continued from Page 1

"This is the first and, perhaps, the most important victory," he added.

Private financial experts did not disagree with the importance of those moves. But some of them noted that Russia has promised similar reforms before and failed to deliver. And they wondered why this set of promises should be any different.

"I think they're going to find it very difficult to fulfill all the conditions underlying the IMF package and Kiriyenko's anti-crisis package," said one Moscow-based investment banker.

"The question isn't one of willingness. It's whether they can actually implement the reforms."

The Duma, the bureaucracy, the

local governments, the financial and industrial groups — all these bodies are going to be acting in some way against the government's push on reforms. A lot of these people got rich under the status quo. And they don't want to see it change."

That banker, who asked not to be identified, said his firm believed the government had two or three months to show real progress on reforms before another financial crisis began to take form.

Even Russia's deputy finance minister, Mikhail Kasynov, said Tuesday that Russia basically had until the end of the year to implement real reform.

The IMF reflected some of the skepticism on Monday when it decided to extend an initial \$4.8 billion in loans to the Russian government

instead of the \$5.6 billion that had been tentatively agreed on earlier.

The Fund's action, part of a loan package totaling \$11.2 billion, was widely viewed as a warning signal to the Russian Parliament that it must put its stamp on fiscal reform or see the international money pipeline dry up.

Russian markets got that message, and one index of blue-chip stocks fell 3.5 percent in the opening minutes on Tuesday. The Russian RTS index closed 4.7 percent lower, at 183.95.

Mr. Kiriyenko nonetheless seems to be making some progress. On Tuesday, the government said he had reached agreement with the vast natural-gas monopoly Gazprom on a schedule to pay billions of rubles in back taxes that the utility had

ignored in the last 18 months.

Details of the repayment plan were not available. Last month, the government sent tax agents into Gazprom offices, threatening to seize the company's vacation dachas, hunting lodges, limousines and other "perks" unless the company paid its debts by the start of July.

■ Palladium Exports Continue Russia is continuing to export palladium from stockpiles of the country's central bank, and will consider increasing shipments if necessary, central bank officials said, Bloomberg News reported from Moscow.

Almazynvelimexport, a government agency, is shipping both metals from the central bank's reserves.

## SMART: 'Quant' Trading Loses Favor but Some Stick With It

Continued from Page 11

mentations, sales and profit growth, interest rates and the money supply, to help identify anomalies in market prices that might provide opportunities for profit.

Take a hypothetical example. By analyzing stock-market history, a quant trader might conclude that Ford shares tend to move in tandem with those of General Motors Corp. That is not a big surprise, given that both companies make mass-market cars and trucks, selling a lot of them in the United States. But for any number of reasons, the shares may not always move together, with one company's shares rising or falling faster than the other's.

Computers can spot when such anomalies occur and recommend ways — known as arbitrage — to exploit that inefficiency. A trader might buy shares in the laggard or sell short the forerunner, or try the reverse in a falling market.

The universe of quantitative traders seeking to exploit such loopholes is diverse. Barclays Global Investors has some \$95 billion in actively managed quantitative funds. Fidelity and Pan-Agora Asset Management run some mutual funds that use quantitative techniques.

Big investment banks, including Morgan Stanley, Dean Witter, Swiss Bank Corp., and Donaldson, Lufkin & Jenrette, dabble in quant trading, as do at least a dozen big private hedge funds. The field has attracted some of the most formidable minds in math and

economics. Robert Merton and Myron Scholes, who won the Nobel Memorial Prize in Economic Sciences in 1997 for their work on options pricing, are partners in a hedge fund, Long Term Capital Management, which is run by John Meriwether. Dooyne Farmer, a physics scholar, runs the hopelessly named Prediction Co., backed by Swiss Bank.

Although Mr. Shaw employs some 1,050 people, none visits companies or reads stock reports. Instead, Mr. Shaw deploys some \$1.7 billion to exploit inefficiencies identified by the company's computer calculations, trading shares in volumes that can account for more than 5 percent of the daily turnover of the New York Stock Exchange.

Some people familiar with Mr. Shaw's operations said he had consistently made solid returns in both up markets and down markets — approaching 25 percent annually in recent years.

Secret quantitative-trading strategies, when they work at all, do not usually work for long. One limiting factor is competition. If one trader seems to be making a great deal of money buying Ford shares and shorting General Motors, others will sooner or later figure out why, and end the arbitrage opportunity.

Another reason is that historical trends are not reliable predictors of future events, although they might hold true for a while.

Eric Sorensen, head of quantitative research for Salomon Smith Barney, says that some kinds of such statistical arbitrage work well in stable markets

but fall apart when the market changes course abruptly.

"It's like flying — boring for nine or 10 hours — then you suddenly hit a storm," Mr. Sorensen said. "In good times you can work out a routine, make a little bit of money reliably. But you lose lots of money when a big event changes everything."

Salomon itself worries about such sudden shifts. Earlier this month, the firm closed its high-flying bond-arbitrage operation, citing losses. But it and many other big investment banks still try to keep current on quantitative-trading theories.

Despite such setbacks, some experts in the field still contend that it is only a matter of time before computers running mathematical models replace human judgment as the dominant force in stock picking.

But others say the unexpectedly slow development of quantitative trading supports a long-held but hard-to-prove belief about stock markets, especially the United States' extraordinarily deep ones: They are fundamentally efficient, meaning that stock prices are fair reflections of what the investing public will pay for shares at any given moment.

Any opportunities to profit from a difference between a share price and what the market will really pay are so limited, and shrinking, that the quest is ultimately doomed.

"If anyone could really predict with any degree of reliability," he added, "the market would die."

## MONGOLIA: 'Our Murdoch'

Continued from Page 11

"Maybe political connections have helped my business," Mr. Baldorj said. "But people say controversial things about me because my business goes well."

He denied that he had any ambition to become prime minister but said he planned to take "a more active role in the leadership" of the People's Revolutionary Party in the next election.

Onodori claims a circulation of 10,000, about one-quarter of all daily newspapers sold in Mongolia, and

Mr. Baldorj has expanded his media empire to encompass broadcasting as well as a stable of publications.

Financed largely through borrowing, Mr. Baldorj has a radio and television station as well as four weekly newspapers. One covers sports, two are for children and teenagers

and the other is the English-language UB Post. All of Mr. Baldorj's publications are put together by 100 journalists in two rooms using three phone lines and 12 computers.

Starting a publishing business was by no means an original idea in post-Communist Mongolia. When censorship ended, Mongolia's highly educated, opinionated and suppressed citizens began churning out new publications by the dozen.

From barely a handful of state-run newspapers under Communist rule, there are now more than 200 officially registered titles. Many of the publications are tabloid in style and mentality. Titles include Top Secret, Disgusting Crime and Hot Blanket.

Mr. Baldorj started Onodori with financing of \$200,000 from an American business contact. His highly public confrontation with the government guaranteed good sales when the first edition rolled off the press less than two months after he had lost his job at Ardyn Erkh.

All 8,000 copies sold out in the first morning," Mr. Baldorj said. "The government's direction was still unclear, so people wanted to know which way the wind would blow."

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**Tuesday's 4 P.M.**

**Tuesday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

12 Month*	Div	Vol	PF	52 Week High	Low	Latest	Days
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**NYSE**

**Tuesday's 4 P.M. Close**  
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1. The first part of the document is a title page. It contains the title "THE HISTORY OF THE UNITED STATES OF AMERICA" and the author "BY JAMES MADISON".



# The 1998 International Herald Tribune Survey

RSVP!

Dear Reader

As a reader of the International Herald Tribune, you are of vital importance to the newspaper, whether you are a regular, occasional or even a first-time reader. Only by knowing more about your thoughts on the newspaper content, your lifestyle and your business, can we endeavour to produce a better newspaper.

We would be very grateful if you could take the time to fill in this questionnaire, fold it following the instructions on the reverse side and post it (the postage is already paid). For every reply we receive we will donate a dollar to a charity.

If you wish to enter our free prize drawing, please fill in your name and address in the space provided below - two winners will be sent a decanter of Fine Champagne Cognac Extra from Rémy Martin.

Thank you very much for your time.

*Peter C. Goldmark Jr.*

Peter C. Goldmark Jr.  
Chairman and Chief Executive

Please indicate your responses with an X in the appropriate boxes.

## YOU AND THE INTERNATIONAL HERALD TRIBUNE...

- 1 - How often do you usually read or look at the IHT?
- |                 |                          |                       |                          |
|-----------------|--------------------------|-----------------------|--------------------------|
| 5-6 days a week | <input type="checkbox"/> | 1-2 days a week       | <input type="checkbox"/> |
| 3-4 days a week | <input type="checkbox"/> | Less than once a week | <input type="checkbox"/> |

- 2 - How do you usually obtain your copy of the IHT?
- | when in home country               |                          | when traveling           |                          |
|------------------------------------|--------------------------|--------------------------|--------------------------|
| Home subscription                  | <input type="checkbox"/> | Airline                  | <input type="checkbox"/> |
| Personal office subscription       | <input type="checkbox"/> | Hotel                    | <input type="checkbox"/> |
| Colleague/friend/relative          | <input type="checkbox"/> | Newsstand                | <input type="checkbox"/> |
| Newsstand                          | <input type="checkbox"/> | Other                    | <input type="checkbox"/> |
| I only read the IHT when traveling |                          | <input type="checkbox"/> |                          |

- 3 - And how many people excluding yourself usually read your copy of the IHT?
- |     |                          |       |                          |              |                          |
|-----|--------------------------|-------|--------------------------|--------------|--------------------------|
| One | <input type="checkbox"/> | Three | <input type="checkbox"/> | Five or more | <input type="checkbox"/> |
| Two | <input type="checkbox"/> | Four  | <input type="checkbox"/> | No one else  | <input type="checkbox"/> |

- 4 - On average, how much time do you spend reading the IHT?
- |                      |                          |              |                          |
|----------------------|--------------------------|--------------|--------------------------|
| Less than 15 minutes | <input type="checkbox"/> | 1-2 hours    | <input type="checkbox"/> |
| 15-29 minutes        | <input type="checkbox"/> | 2-3 hours    | <input type="checkbox"/> |
| 30-44 minutes        | <input type="checkbox"/> | Over 3 hours | <input type="checkbox"/> |
| 45 minutes-1 hour    | <input type="checkbox"/> | Not sure     | <input type="checkbox"/> |

- 5 - For a typical issue of the IHT, what percentage of pages do you look at or read from before you discard the newspaper?
- |      |                          |     |                          |               |                          |
|------|--------------------------|-----|--------------------------|---------------|--------------------------|
| 100% | <input type="checkbox"/> | 60% | <input type="checkbox"/> | 20%           | <input type="checkbox"/> |
| 80%  | <input type="checkbox"/> | 40% | <input type="checkbox"/> | Less than 20% | <input type="checkbox"/> |

- 6 - Usually, how many separate times do you pick up your copy of the IHT before you have finished with it completely?
- WRITE IN

- 7 - How many other daily newspapers do you usually read? (Please include all daily titles whether they be international, national, or local)
- |     |                          |       |                          |              |                          |
|-----|--------------------------|-------|--------------------------|--------------|--------------------------|
| One | <input type="checkbox"/> | Three | <input type="checkbox"/> | Five or more | <input type="checkbox"/> |
| Two | <input type="checkbox"/> | Four  | <input type="checkbox"/> | No other     | <input type="checkbox"/> |

- 8 - If you had to rank by order of importance to you personally the daily newspapers you read, where would you rank the IHT?
- First ☐ Second ☐ Third ☐ Other (WRITE IN)

- 9 - Please indicate your level of agreement with the following statements regarding the IHT:
- |  | Strongly agree           | Agree                    | Neither agree nor disagree | Disagree                 | Strongly disagree        |
|--|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| Publication I want to read                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| You can believe what you read in it                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| I look forward to reading it                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| It is a leisurely read                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| I see publication I read thoroughly rather than skim | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |

- 10a - Do you ever read the IHT on the Internet?
- Yes ☐ No ☐

- 10b - If yes, how often?
- |          |                          |                |                          |                |                          |              |                          |            |                          |
|----------|--------------------------|----------------|--------------------------|----------------|--------------------------|--------------|--------------------------|------------|--------------------------|
| Each day | <input type="checkbox"/> | 1-2 times/week | <input type="checkbox"/> | 3-4 times/week | <input type="checkbox"/> | 5 times/week | <input type="checkbox"/> | Less often | <input type="checkbox"/> |
|----------|--------------------------|----------------|--------------------------|----------------|--------------------------|--------------|--------------------------|------------|--------------------------|

## AIR TRAVEL...

- 11 - Approximately how many international air trips have you made in the last 12 months?
- | Business Pleasure |                          | Business Pleasure |                          | Business Pleasure |                          |
|-------------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|
| 1-3 trips         | <input type="checkbox"/> | 11-15 trips       | <input type="checkbox"/> | none              | <input type="checkbox"/> |
| 4-6 trips         | <input type="checkbox"/> | 16-20 trips       | <input type="checkbox"/> |                   |                          |
| 7-10 trips        | <input type="checkbox"/> | 21+ trips         | <input type="checkbox"/> |                   |                          |

- 12 - Which, if any, of the regions listed below have you visited by air in the last 12 months?
- | Business Pleasure     |                          | Business Pleasure         |                          |
|-----------------------|--------------------------|---------------------------|--------------------------|
| Austria               | <input type="checkbox"/> | Hong Kong                 | <input type="checkbox"/> |
| Belgium/Luxembourg    | <input type="checkbox"/> | India                     | <input type="checkbox"/> |
| France                | <input type="checkbox"/> | Indonesia                 | <input type="checkbox"/> |
| Germany               | <input type="checkbox"/> | Japan                     | <input type="checkbox"/> |
| Greece                | <input type="checkbox"/> | Korea                     | <input type="checkbox"/> |
| Israel                | <input type="checkbox"/> | Malaysia                  | <input type="checkbox"/> |
| Italy                 | <input type="checkbox"/> | Philippines               | <input type="checkbox"/> |
| Netherlands           | <input type="checkbox"/> | Singapore                 | <input type="checkbox"/> |
| Scandinavia           | <input type="checkbox"/> | Taiwan                    | <input type="checkbox"/> |
| Spain                 | <input type="checkbox"/> | Thailand                  | <input type="checkbox"/> |
| Switzerland           | <input type="checkbox"/> | Other Asia/Pacific        | <input type="checkbox"/> |
| UK                    | <input type="checkbox"/> | USA                       | <input type="checkbox"/> |
| Eastern Europe        | <input type="checkbox"/> | Canada                    | <input type="checkbox"/> |
| Other Europe          | <input type="checkbox"/> | Central America/Caribbean | <input type="checkbox"/> |
| Africa                | <input type="checkbox"/> | South America             | <input type="checkbox"/> |
| Australia/New Zealand | <input type="checkbox"/> | Middle East               | <input type="checkbox"/> |

- 13a - For business trips what class of travel do you usually use?
- | Trips up to 4 hours |                          | Trips of 4 hours or more |                          |
|---------------------|--------------------------|--------------------------|--------------------------|
| First Class         | <input type="checkbox"/> |                          | <input type="checkbox"/> |
| Business Class      | <input type="checkbox"/> |                          | <input type="checkbox"/> |
| Economy             | <input type="checkbox"/> |                          | <input type="checkbox"/> |

- 13b - How many frequent flyer clubs are you a member of?
- |      |                          |     |                          |     |                          |               |                          |
|------|--------------------------|-----|--------------------------|-----|--------------------------|---------------|--------------------------|
| None | <input type="checkbox"/> | One | <input type="checkbox"/> | Two | <input type="checkbox"/> | Three or more | <input type="checkbox"/> |
|------|--------------------------|-----|--------------------------|-----|--------------------------|---------------|--------------------------|

## WIN A DECANTER OF FINE CHAMPAGNE COGNAC EXTRA



RÉMY MARTIN  
FINE CHAMPAGNE COGNAC

To thank you, a dollar will be given to a charity of your choice. Please indicate which of these charities should benefit from your dollar donation.

- |                          |                          |                         |                          |
|--------------------------|--------------------------|-------------------------|--------------------------|
| World Wildlife Fund      | <input type="checkbox"/> | Cancer Research         | <input type="checkbox"/> |
| Médecins Sans Frontières | <input type="checkbox"/> | International Red Cross | <input type="checkbox"/> |

- 14 - Approximately how many nights have you spent in hotels on business in the last 12 months?
- |      |                          |       |                          |       |                          |
|------|--------------------------|-------|--------------------------|-------|--------------------------|
| 1-7  | <input type="checkbox"/> | 15-29 | <input type="checkbox"/> | 50-74 | <input type="checkbox"/> |
| 8-14 | <input type="checkbox"/> | 30-49 | <input type="checkbox"/> | 75+   | <input type="checkbox"/> |
| none |                          |       |                          |       | <input type="checkbox"/> |

- 15 - In the last 12 months, have you:
- |                                  |  |
|----------------------------------|--|
| flown in your own private plane? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| flown in your company's plane?   | Yes <input type="checkbox"/> No <input type="checkbox"/> |

## ABOUT YOUR LIFESTYLE...

- 16 - Which, if any, of the following cards do you use? (Please check all that apply.)

- |                    |                          |                                       |                          |
|--------------------|--------------------------|---------------------------------------|--------------------------|
| AMEX Gold/Platinum | <input type="checkbox"/> | Any other card                        | <input type="checkbox"/> |
| AMEX Green         | <input type="checkbox"/> |                                       |                          |
| Visa Gold/Premier  | <input type="checkbox"/> | International telephone calling cards | <input type="checkbox"/> |
| Other Visa         | <input type="checkbox"/> | - AT&T                                | <input type="checkbox"/> |
| MasterCard Gold    | <input type="checkbox"/> | - MCI                                 | <input type="checkbox"/> |
| Other MasterCard   | <input type="checkbox"/> | - Sprint                              | <input type="checkbox"/> |
| Diners Club        | <input type="checkbox"/> | Any other intl calling cards          | <input type="checkbox"/> |

- 17 - Which of the following items have you bought in the last 12 months, whether for yourself, your household or as a gift? (Please check all that apply.)

- |                          |                          |                     |                          |
|--------------------------|--------------------------|---------------------|--------------------------|
| Cognac                   | <input type="checkbox"/> | Perfumes            | <input type="checkbox"/> |
| Blended/malt whisky      | <input type="checkbox"/> | Watches             | <input type="checkbox"/> |
| Canadian/US/Irish whisky | <input type="checkbox"/> | Jewelry             | <input type="checkbox"/> |
| Gin                      | <input type="checkbox"/> | Designer clothing   | <input type="checkbox"/> |
| Vodka                    | <input type="checkbox"/> | Leather items       | <input type="checkbox"/> |
| Crystalware              | <input type="checkbox"/> | Writing accessories | <input type="checkbox"/> |

- 18a - How many cars do you have in your household?
- |      |                          |     |                          |     |                          |               |                          |
|------|--------------------------|-----|--------------------------|-----|--------------------------|---------------|--------------------------|
| none | <input type="checkbox"/> | one | <input type="checkbox"/> | two | <input type="checkbox"/> | three or more | <input type="checkbox"/> |
|------|--------------------------|-----|--------------------------|-----|--------------------------|---------------|--------------------------|

- 18b - Do you have a company car?
- Who chose it? Your company ☐ You ☐

- 18c - What is the size of the engine of your:
- |                       | under 1999cc             | 2000-3000cc              | over 3000cc              |
|-----------------------|--------------------------|--------------------------|--------------------------|
| personally owned car? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| company owned car?    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 19 - Which of the following do you currently use?
- |  | Personally               | For business             |
|--|--------------------------|--------------------------|
| Personal computer                      | <input type="checkbox"/> | <input type="checkbox"/> |
| Laptop/notebook/handheld computer      | <input type="checkbox"/> | <input type="checkbox"/> |
| CD-ROM                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| Video conferencing                     | <input type="checkbox"/> | <input type="checkbox"/> |
| Cellular/mobile phone                  | <input type="checkbox"/> | <input type="checkbox"/> |
| Compact satellite phone                | <input type="checkbox"/> | <input type="checkbox"/> |
| The Internet/other on-line services:   |                          |                          |
| - for business and finance information | <input type="checkbox"/> | <input type="checkbox"/> |
| - for general information              | <input type="checkbox"/> | <input type="checkbox"/> |

Have you ever bought goods/services through the Internet? Yes ☐ No ☐

- 20 - Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?

- |                                |                          |                             |                          |
|--------------------------------|--------------------------|-----------------------------|--------------------------|
| Financial Times                | <input type="checkbox"/> | The Economist               | <input type="checkbox"/> |
| USA Today                      | <input type="checkbox"/> | The European                | <input type="checkbox"/> |
| The Asian Wall Street Journal  | <input type="checkbox"/> | Far Eastern Economic Review | <input type="checkbox"/> |
| The Wall Street Journal Europe | <input type="checkbox"/> | Newsweek                    | <input type="checkbox"/> |
| BusinessWeek                   | <input type="checkbox"/> | Time                        | <input type="checkbox"/> |

- 21 - Which, if any, of the following have you done in a business or personal capacity in the last twelve months?

- |   |                          |
|---|--------------------------|
| Acted as adviser to another company                                 | <input type="checkbox"/> |
| Been interviewed on TV, radio or by the press                       | <input type="checkbox"/> |
| Had an article, paper or book published                             | <input type="checkbox"/> |
| Sat on an industrial/professional committee                         | <input type="checkbox"/> |
| Lobbied or advised members of national/local government             | <input type="checkbox"/> |
| Been involved in an environmental/conservation/animal welfare group | <input type="checkbox"/> |

## YOUR WORK...

- 22 - Are you currently:
- |                              |                          |           |                          |
|------------------------------|--------------------------|-----------|--------------------------|
| Working full/part time       | <input type="checkbox"/> | A student | <input type="checkbox"/> |
| Not in paid employment/other | <input type="checkbox"/> | Retired   | <input type="checkbox"/> |

- 23 - What is your job title or position?
- |                                |                          |                                     |                          |
|--------------------------------|--------------------------|-------------------------------------|--------------------------|
| Owner/Partner                  | <input type="checkbox"/> | Politician/Government Minister      | <input type="checkbox"/> |
| Chairman/President/CEO         | <input type="checkbox"/> | Diplomat/Senior Government Official | <input type="checkbox"/> |
| Managing Director              | <input type="checkbox"/> | Medical                             | <input type="checkbox"/> |
| Vice President                 | <input type="checkbox"/> | Legal                               | <input type="checkbox"/> |
| General Manager                | <input type="checkbox"/> | Education                           | <input type="checkbox"/> |
| CEO/Finance Director/Treasurer | <input type="checkbox"/> | Clerical position                   | <input type="checkbox"/> |
| Department Head                | <input type="checkbox"/> | Other job/position                  | <input type="checkbox"/> |
| Consultant                     | <input type="checkbox"/> | (WRITE IN)                          | <input type="text"/>     |
| Other senior position          | <input type="checkbox"/> |                                     |                          |
| Other Director/Manager         | <input type="checkbox"/> |                                     |                          |

- 24a - What is the main activity of your organization?

- |                                  |                          |                         |                          |
|----------------------------------|--------------------------|-------------------------|--------------------------|
| Manufacturing/engineering        | <input type="checkbox"/> | Computing               | <input type="checkbox"/> |
| Primary industry/utilities       | <input type="checkbox"/> | Telecommunications      | <input type="checkbox"/> |
| Construction                     | <input type="checkbox"/> | Other business services | <input type="checkbox"/> |
| Wholesale/retail                 | <input type="checkbox"/> | Education               | <input type="checkbox"/> |
| Travel/tourism/transportation    | <input type="checkbox"/> | Medical                 | <input type="checkbox"/> |
| Publishing/printing/broadcasting | <input type="checkbox"/> | Legal                   | <input type="checkbox"/> |
| Banking                          | <input type="checkbox"/> | Government/diplomatic   | <input type="checkbox"/> |
| Other financial services         | <input type="checkbox"/> | Other (WRITE IN)        | <input type="text"/>     |

- 24b - For those of you working in the financial sector, which of the following best describes your job function?

- |                            |                          |
|----------------------------|--------------------------|
| Financial Analyst          | <input type="checkbox"/> |
| Portfolio Manager          | <input type="checkbox"/> |
| Investment Department Head | <input type="checkbox"/> |
| Other (WRITE IN)           | <input type="text"/>     |

- 25 - How many people does your organization employ?

- | Country of residence | World-wide               |
|----------------------|--------------------------|
| Under 10             | <input type="checkbox"/> |
| 10-49                | <input type="checkbox"/> |
| 50-99                | <input type="checkbox"/> |
| 100-249              | <input type="checkbox"/> |
| 250-499              | <input type="checkbox"/> |
| 500-999              | <input type="checkbox"/> |
| 1000-4999            | <input type="checkbox"/> |
| 5000+                | <input type="checkbox"/> |

Does not operate outside your country of residence ☐

- 26 - Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?

- |                                    |                          |   |                          |
|------------------------------------|--------------------------|---|--------------------------|
| Desktops/PCs                       | <input type="checkbox"/> | Other financial services                | <input type="checkbox"/> |
| Software                           | <input type="checkbox"/> | Business services                       | <input type="checkbox"/> |
| Network systems                    | <input type="checkbox"/> | Company vehicles                        | <input type="checkbox"/> |
| Telecom systems/equipment/services | <input type="checkbox"/> | Corporate/business aircraft             | <input type="checkbox"/> |
| Other office equipment/technology  | <input type="checkbox"/> | Conferences/trade fairs/exhibitions     | <input type="checkbox"/> |
| Commercial banking services        | <input type="checkbox"/> | International courier/freight services  | <input type="checkbox"/> |
| Investment banking services        | <input type="checkbox"/> | Plant and equipment/raw materials       | <input type="checkbox"/> |
| Corporate investments              | <input type="checkbox"/> | Bus, premises/industrial site selection | <input type="checkbox"/> |

- 27 - Do you have international responsibilities in your job?
- Yes ☐ No ☐

## ABOUT YOU...

- 28 - I am: Male ☐ Female ☐

- 29 - Age:
- |          |                          |       |                          |       |                          |
|----------|--------------------------|-------|--------------------------|-------|--------------------------|
| Under 25 | <input type="checkbox"/> | 35-44 | <input type="checkbox"/> | 55-64 | <input type="checkbox"/> |
| 25-34    | <input type="checkbox"/> | 45-54 | <input type="checkbox"/> | 65+   | <input type="checkbox"/> |

- 30 - How many children do you have either living at home or away from home (but for whom you are financially responsible)?

- |                    |                          |     |                          |     |                          |       |                          |              |                          |
|--------------------|--------------------------|-----|--------------------------|-----|--------------------------|-------|--------------------------|--------------|--------------------------|
| a) aged under 15   | <input type="checkbox"/> | One | <input type="checkbox"/> | Two | <input type="checkbox"/> | Three | <input type="checkbox"/> | Four or more | <input type="checkbox"/> |
| b) aged 15 or over | <input type="checkbox"/> |     |                          |     |                          |       |                          |              |                          |

- 31 - Which country do you currently live in?
- WRITE IN

- 32 - How long have you been living in your country of residence?

- |                  |                          |            |                          |           |                          |
|------------------|--------------------------|------------|--------------------------|-----------|--------------------------|
| Less than 1 year | <input type="checkbox"/> | 2-5 years  | <input type="checkbox"/> | 10 years+ | <input type="checkbox"/> |
| 1-2 years        | <input type="checkbox"/> | 5-10 years | <input type="checkbox"/> |           |                          |

- 33 - Which country are you a Citizen/National of?
- WRITE IN

- 34a - Which level are you educated to:

- |                                |                          |                             |                          |
|--------------------------------|--------------------------|-----------------------------|--------------------------|
| Doctorate                      | <input type="checkbox"/> | Standard university level   | <input type="checkbox"/> |
| MBA                            | <input type="checkbox"/> | Secondary/high school level | <input type="checkbox"/> |
| Higher university degree level | <input type="checkbox"/> |                             |                          |

- 34b - Are you currently studying for an MBA? Yes ☐ No ☐
- Do you have any plans in the future to study for an MBA? Yes ☐ No ☐

- 35 - Approximate household income (pre-tax) in US\$ from all sources:

- |                              |                          |                              |                          |
|------------------------------|--------------------------|------------------------------|--------------------------|
| Up to \$30,000               | <input type="checkbox"/> | \$150,000 to under \$200,000 | <input type="checkbox"/> |
| \$30,000 to under \$50,000   | <input type="checkbox"/> | \$200,000 to under \$300,000 | <input type="checkbox"/> |
| \$50,000 to under \$100,000  | <input type="checkbox"/> | \$300,000 to under \$500,000 | <input type="checkbox"/> |
| \$100,000 to under \$150,000 | <input type="checkbox"/> | \$500,000 and over           | <input type="checkbox"/> |

Or, write in own currency:

- 36 - Which, if any, of the following categories of personal investments and financial services do you have or use?

- |                       |                          |   |                          |
|-----------------------|--------------------------|---|--------------------------|
| Life insurance        | <input type="checkbox"/> | Gold/precious metals                        | <input type="checkbox"/> |
| Private banking       | <input type="checkbox"/> | Commodities                                 | <input type="checkbox"/> |
| Private pension plan  | <input type="checkbox"/> | Foreign currency                            | <input type="checkbox"/> |
| Stocks or bonds       | <input type="checkbox"/> | Property/real estate (wholly owned)         | <input type="checkbox"/> |
| Government securities | <input type="checkbox"/> | Collectibles (art, antiques, coins, stamps) | <input type="checkbox"/> |
| Funds/unit trusts     | <input type="checkbox"/> |   |                          |

- In order to be eligible for the prize drawing\*, please write in your full name and address in the space provided.

Title: Mr/Mrs/Miss/Dr/Prof.  Other

First Name  Family Name

Address

Postal Code  City/Town  Country

Telephone no.

E-mail address

The IHT frequently seeks to conduct surveys amongst its readers for purposes of editorial and commercial development. If you do not wish to be contacted in the future please check the box below. We can assure all respondents to this questionnaire that their names and addresses will not be used for any purpose, nor passed on to any third parties, other than for IHT research, and only then with their permission.

I do not wish to participate in further IHT surveys over the next 18 months. ☐

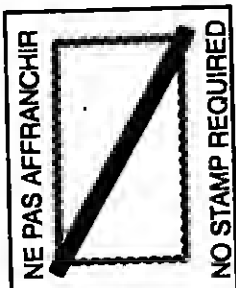
Thank you for your cooperation. Now simply follow the folding instructions on the reverse of the questionnaire and please post it.

\*Valid where legal.



B

FOURTH FOLD



**REPONSE PAYEE  
GRANDE-BRETAGNE**

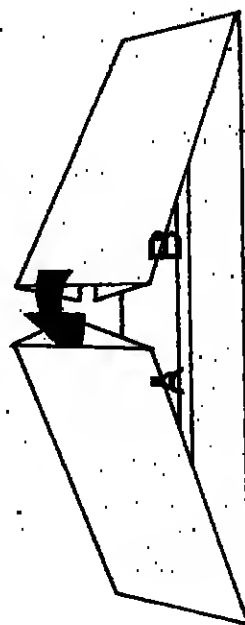
EUROPEAN DATA & RESEARCH LTD.  
8 FRIDAY STREET  
HENLEY-ON-THAMES  
OXON.  
GREAT BRITAIN  
RG9 1ZY

By air mail  
*Par avion*

IBRS/CCRI NUMBER: PHQ-D/476/RG  
IF OUTSIDE EUROPE PLEASE AFFIX STAMP

P

THIRD FOLD



**FOLD IN SEQUENCE**  
First fold to Fourth fold.  
Then tuck Flap B into Flap A.

FIRST FOLD

SECOND FOLD

A



**July 21, 1998**

For information on how to list your fund, tax Katy Hourst at (33-1) 41 43 82 12 or E-mail : [funds@iht.com](mailto:funds@iht.com)  
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[illegible]

16 00 852 2848 4006 Fax 00 852 2821 1291



## WORLD ROUNDUP

## Italy Ousts Maldini

**SOCCER** Cesare Maldini is stepping down as Italy's national coach, the Italian soccer federation announced Tuesday.

Maldini met Luciano Nizzola, the federation president, in Turin on Saturday and agreed to the change. Nizzola will decide on a successor "in the coming days," a statement from his office said.

Newspaper reports Tuesday said Dino Zoff, the former Italian goalkeeper and captain, will be hired as coach this week.

Maldini, whose contract expires at the end of the year, has been offered another position with the national soccer body.

Under Maldini, Italy scraped into the World Cup finals through a two-game playoff and lost to the eventual champion, France, in the quarterfinals on penalty kicks.

He was criticized in Italy for his defensive tactics. (AP)

## Rufai 'Pressured' to Play

**SOCCER** Peter Rufai, the Nigeria goalkeeper, said "political pressures" forced him to play in the World Cup. Rufai, the second-choice goalkeeper at Deportivo Coruna in Spain, played poorly in Nigeria's 4-1 loss to Denmark.

"When the season finished I was planning to go on holiday to Cuba with a friend. I stayed out late, went to a disco and didn't think of going to France," he said. "But I received a phone call that obliged me to join up with the squad."

"I didn't have any option. I wasn't prepared and so I didn't play at the level I hoped."

AC Milan said Tuesday it had extended the contract of striker George Weah to 2001. (AP)

Vegard Heggem, a Norwegian defender, joined Liverpool of the English Premier League on Tuesday from Rosenborg, Trondheim for a transfer fee of about \$3.5 million (\$5.8 million). (Reuters)

## NBA and Players Talk

**BASKETBALL** David Stern, the National Basketball Association commissioner, and Billy Hunter, the players union director, met for 90 minutes Tuesday and agreed to resume bargaining. Stern and Hunter plan to speak Friday to set the date for negotiations. The two sides have not bargained since June 22, eight days before the NBA locked out its players. (AP)

Officials of the NBA and USA Basketball, the sport's governing body in the United States, have decided to prevent the coming world championships from being shown on American television because NBA players will not be taking part.

Russ Granik, the USA Basketball president and NBA deputy commissioner, said the decision was made because sponsors and TV networks "bought it based on the assumption that top NBA players were playing."

The 12 NBA players under contract to play for the U.S. team refused to play because of their labor dispute with NBA management. USA Basketball replaced them with Americans playing in foreign pro leagues. Continental Basketball Association players and collegians — a squad that seems unlikely to win the tournament. (WP)

## Becker Wins in the Heat

**TENNIS** Boris Becker swept past Andre Agassi of Italy 6-1, 7-5, 6-0 Tuesday in the opening round of the Mercedes Cup in Stuttgart.

Even though he was playing on clay in temperatures that climbed above 40 degrees centigrade (104 degrees Fahrenheit), Becker attacked the net constantly. "I played serve and volley on the clay," he said. "That's my game and it is what I know best." (Reuters)

## As Tour Hits Peaks, Some Order Returns

## Top Riders Achieve 1-to-5 Ranking Overall

By Samuel Abt  
International Herald Tribune

**LUCHON, France** — The Tour de France entered the Pyrenees on Tuesday and a sense of order returned to the standings.

At the end of the stage, Jan Ullrich, Bobby Julich, Bo Hamburger, Laurent Jalabert and Luc Leblanc occupied the first five places overall.

Gone were Laurent Desbiens, Andrea Tafi and Jacky Durand, who ruled the road during the last few days. Now no one is higher than Tafi's 34th place.

## TOUR DE FRANCE

Proving that anything is possible with enough courage and savvy, however, an unlikely winner emerged after the 196.5-kilometer (122-mile) stage across the fabled "Circle of Death" peaks.

That was Rodolfo Massi, an Italian with Casino and not one of the major climbers. He benefited from a long breakaway with Cedric Vasseur, a Frenchman with Gan, and Alberto Elli, another Italian with Casino, to give the French team its third victory in 10 stages of this 85th Tour.

Massi did no work during most of the breakaway from the first climb, the daunting Aubisque peak, rated beyond category in difficulty, through the second climb, the similarly rated Tourmalet. Team strategy called for him to ride in the slipstream of Elli and Vasseur, saving his strength for the last two

climbs, the Aspin and the Peyresourde, both rated first category or a notch lower than their predecessors.

On the fourth climb Massi took off, leaving his weary teammate and the unwinding Vasseur behind. Massi had enough power left to hold off a late charge by Marco Pantani, an Italian with Mercatone Uno, the winner of the Giro d'Italia and on the 364 other days of the year, a far superior climber to Massi.

But Pantani reverted to his habit of unleashing his charge too late and again finished a Tour stage in second place. The winner was timed in 5 hours 49 minutes 40 seconds, a speed of 33 kilometers an hour, or 36 seconds faster than Pantani across the finish line after a 15-kilometer descent from the Peyresourde into Luchon.

Third in the stage, which started in Pau, was Michael Boogerd, a Dutchman with Rabobank, 59 seconds behind. Clocking the same time were nine other riders, including Ullrich, a German with Rabobank and the defending champion; Julich, an American with Cofidis; and Leblanc, a Frenchman with Polti.

Ullrich regained the overall leader's yellow jersey that he yielded to Desbiens on Sunday. The German is 1:18 ahead of Julich, Hamburger, a Dane with Casino, is third, 2:17 behind the leader, with Jalabert, a Frenchman with ONCE, 2:38 behind and Leblanc 3:03 behind. The 151 remaining riders get another chance to climb Wednesday before a day off on Thursday.

An ecstatic Julich attempted to be



Two Tour de France cyclists picking themselves up after falling on the descent of the Aubisque peak.

blase afterward. "Last year I had goosebumps when I finished with the leaders in Morzine," he said. "This time I knew my place was with the best."

Seventeen riders quit the race, some out of exhaustion, some because of crashes on foggy and slippery roads. The major casualty was Francesco Casagrande, the Italian leader of Cofidis, whom Julich was obligated to work for. With Casagrande gone, the American becomes the team leader for whom everybody else on the team works.

"Everybody" includes another American with Cofidis, Kevin Livingston, a strong climber who finished 14th Tuesday, 1:58 behind, and ranks 18th overall, 5:38 behind. He is likely to excel Wednesday in the final climb to the Plateau de Beille, which will make its debut in the Tour but which Livingston knows from his second-place finish last year in the Tour de l'Avenir.

The weather turned overnight, dropping from 40 degrees centigrade (104 degrees Fahrenheit) to half that atop the climbs. A heavy fog and swirling mist, especially on the first climb, contributed to the difficulties, making descents from the peaks treacherous.

Another key factor in the stage was the absence of the Festina team, which was expelled in a drug scandal late Friday. The team's nine riders are usually dominant in the mountains and would surely have attacked Ullrich and the other favorites early in the stage.

"I think it will be difficult to find a challenger, to have the numbers in the front to test the Telekom guys," said Frankie Andreu, an American with U.S. Postal Service, beforehand. "Festina could put five or six riders up there and get Telekom in trouble. Now I think it's

going to be more of an open race."

Another American with U.S. Postal Service, Tyler Hamilton who lost more than 18 minutes Monday when he suffered a heatstroke and crossed the finish line in a daze, started and finished Tuesday.

"I was suffering so bad," he said in a drizzle at the start in Pau. "I wasn't delicious but I was pretty out of it. It was extremely hot and I was completely empty. My body just shut down."

Hamilton explained that he has had stomach troubles for the last month and that some days he cannot retain food or drink. Monday was one of those days.

"I went from such a high to such a low in two days," he said, referring to his second place in the individual time trial Saturday to his 160th place Monday.

Nevertheless, he was game to see how he would do in the Pyrenees. "I put my body through a lot yesterday," he said. "How it reacts today I don't know. You can only push your body so hard and then it doesn't want to go any harder."

Hamilton finished the mountain stage in 126th place among a big group of riders bringing up the rear, 31:34 behind Massi. In his way, he rode just as courageously as the winner.

## Were Festina Riders Forced to Buy Drugs?

The Associated Press

**PARIS** — The drug scandal overshadowing the Tour de France took another turn Tuesday when the Festina team's doctor claimed that riders were ordered by the team manager to contribute to a fund that was used to buy illegal substances.

"The riders were obliged to put part of their win bonuses into a 'black box' fund to buy banned substances," Arsene Ryckaert, lawyer for team doctor Eric Ryckaert, said in an interview published in the daily newspaper Le Parisien. "These products, like regular drugs, were held at Festina's headquarters in Lyon."

Bruno Roussel, the team manager, was in charge of the system, and riders decided what substances they wanted to take, the lawyer said.

Mr. Ryckaert said his client, to whom he is not related, did not pre-

scribe or administer banned substances, and was called in only if riders had problems after taking drugs.

Customs officers found illegal substances in the car of the physician, apologist of Festina's top rider, Richard Virenque, just before the start of the Tour.

The Festina team was thrown out of the race Saturday, and police in the northern city of Lille are holding Mr. Ryckaert and Mr. Roussel.

It was also reported Tuesday that French customs officials found the drug EPO in the car of officials of the TVM team in March. EPO, an artificial hormone that thickens the blood to carry more oxygen to muscles, was also among the substances allegedly used by Festina.

Tour organizers have threatened to throw the TVM team out if it is proven that its riders took the illegal drug.



Rodolfo Massi crossing first over the finish of the 10th stage Tuesday.

## Painter Captures the Passion, Confrontation and Art of Soccer

International Herald Tribune

**LONDON** — Never in his wildest flights of fantasy did Lilian Thuram imagine himself scoring the two goals with which France became a World Cup finalist for the first time. Defenders are, in essence, suppressors of dreams and even a right back as adventurous as Thuram had not scored once in his 37 previous matches for his country.

Yet the message, in the form of canvas, was on the wall. In a Paris gallery not far from Stade de France where Thuram provided the brushstrokes of history, a painting that could almost have been a premonition depicted him sweeping the ball powerfully, majestically toward the goal.

The art was there before the act. Another painting in the collection depicted what could only be Ronaldo, the Brazil center forward, muscling his way past a defender in French blue. "I never met them, any of them," said Aroldo Governatori, the artist. "I made these paintings two years ago. I feel an affinity to those who perform — in music, in ballet, in football. Where you have life, you have art."

Really? The World Cup final was, as Governatori's instinct had seemed to pre-record, between France and Brazil. But Ronaldo nearly didn't make it, and for the good of his health arguably should not have. Laurent Blanc, the defender who most closely resembles the man attempting to go stride for stride with Ronaldo in the painting, was banned from the final because a Croatian opponent, Slaven Bilic, feigned injury in

the semifinal and Blanc was red-carded.

In such a vicious arena where one man will contrive to deprive another of a lifetime's ambition, how dare we begin to draw parallels with art?

"The stadium is like a volcano," Governatori said. "The beauty is in the tension that is sometimes violent, always vibrant."

Governatori's paintings work best when there is man-to-man confrontation for the ball. The violence, the cheating between two players grappling for space is there on every canvas as shirts are pulled, elbows are angled into ribs cages or faces, the struggle of movement, of muscle and might.

Governatori, 61, works at his isolated farmhouse near Pau, close to the Pyrenees in southern France. An Italian who settled in France 28 years ago, he knows, as almost any red-blooded Italian knows, the rhythm of soccer and the joy of playing.

"The most beautiful time of my life," he reflected, "was playing with my two sons between chestnut trees for goalposts. Pau is for rugby, but my boys preferred soccer. I too, I never felt more free than that time."

Now, two decades later, the images of Ronaldo, of Zinedine Zidane, or Roberto Carlos fascinate the artist. "Roberto Carlos!" he enthused, looking at another painting. "He is so extravagant in movement, but also you know he has a discipline, like in ballet."

## Vantage Point/ROB HUGHES

Discipline? Here is a player, a cavalier miscast as a left back, who gave two goals away during World Cup 1998, and whose lack of defensive order was criticized by Dunga, his captain, and Mario Zagallo, his veteran coach.

"But I am from Italy," countered Governatori, as if that is explanation enough. "You know what coaches in my home country did to football? They gave it *cattinaccio*, which means that life, freedom, energy is squeezed out of the game. These trainers never make beauty. It is players, with their instinct and their imagination, who give us the tension in the match, the appeal. I am not painting these things."

In Governatori's attempts to capture movement in a single image, he uses sweeping lines and bold colors. It is the artist's attempt to represent the maelstrom of passion, the inferno of the erupting volcano. Not knowing the players, not even having access to the stadium on World Cup match days, is no handicap.

"When I was 5 years old," Governatori said, "I could express myself with charcoal. Even before I could really think, I was attracted to horses. It was a gift to put down the movement of the animal. When you see today these players, Ronaldo and when he played Cantona, they have movement but they have something more. No trainer can give them this."

The artist, like each of us taking in pictures from

the ubiquitous television screen, becomes subliminally drawn to the modern popularity of soccer. Governatori's view in the south of France is secondhand. No tickets in the stadiums for the artist, no meeting to try to get into the mind of the performer. "Zidane, Ronaldo, Thuram," he mused, "I never met them. Yet I feel I understand them. There are days when I cannot paint, and there must be days when these players — to me they are artists — cannot feel their sport."

For Governatori, through his big, wide canvases, there is a compulsion to draw out of the soccer players the energy that, he says, not even the best photographic still frame can convey. The Italian in him deplores the methods by which coaches attempt to limit expression. "The Italians, the French, up to the final match, they want to win without making a goal. I will never understand it."

Nor can he, producing art for 40,000 French francs (\$6,700) apiece, appreciate the billionaire commercial business that makes Brazil, once the most artistic of soccer nations, attempt to pit victory before the welfare of Ronaldo, its most coveted modern master.

Governatori will never know the wealth of or the pressures on the player. It is likely that the performer will have burned out in Ronaldo before, in turn, experiences the simple joy of playing soccer with any sons.

Rob Hughes is chief sports writer of The Times of London.

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
New York	49	28	.634
Boston	46	30	.605
Toronto	40	36	.526
Baltimore	40	36	.526
Tampa Bay	36	41	.468
CENTRAL DIVISION			
Team	W	L	Pct.
Cleveland	52	24	.684
Minnesota	44	32	.579
Kansas City	43	34	.559
Chicago	40	36	.526
Detroit	40	36	.526
WEST DIVISION			
Team	W	L	Pct.
Seattle	46	30	.605
San Diego	44	32	.579
Los Angeles	40	36	.526
Colorado	36	41	.468
Arizona	36	41	.468

## NATIONAL LEAGUES

## EAST DIVISION

Team	W	L	Pct.
Atlanta	46	30	.605
Philadelphia	44	32	.579
Pittsburgh	40	36	.526
St. Louis	40	36	.526
San Francisco	36	41	.468

## NATIONAL LEAGUES

## WEST DIVISION

Team	W	L	Pct.
San Diego	46	30	.605
Los Angeles	44	32	.579
San Francisco	40	36	.526
Colorado	36	41	.468
Arizona	36	41	.468

## NATIONAL LEAGUE LEADERS

Team	W	L	Pct.
Atlanta	46	30	.605
Philadelphia	44	32	.579
Pittsburgh	40	36	.526
St. Louis	40	36	.526
San Francisco	36	41	.468

## TRANSITIONS

Team	W	L	Pct.
Atlanta	46	30	.605
Philadelphia	44	32	.579
Pittsburgh	40	36	.526
St. Louis	40	36	.526
San Francisco	36	41	.468

## CYCLING

## TOUR DE FRANCE

Team	W	L	Pct.
Atlanta	46	30	.605
Philadelphia	44	32	.579
Pittsburgh	40	36	.526
St. Louis	40	36	.526
San Francisco	36	41	.468



## SPORTS

## Decathlete Shows He Still Has the Right Stuff

**The Associated Press**  
**UNIONDALE, New York** — Dan O'Brien, competing in the decathlon for the first time since winning the gold medal in the 1996 Olympics, showed he was still the world's greatest athlete, winning the two-day, 10-event competition in the Goodwill Games.

O'Brien finished with 8,755 points Monday night, a meet record and the best score in the world this year. He was on world record pace going into the final event, the 1,500. He needed to run 4:45.92 to break his mark of 8,891 points, but after competing in hot, humid and windy conditions, he ran 5:08.77.

"I haven't done quite enough work in that event," O'Brien said. "I had the wind in the 1,500, I didn't have the legs. If I can improve on the 1,500, I can break the world record."

O'Brien would like to go out in style in the 2000 Olympics with the record. O'Brien trailed Chris Huffins, the U.S. champion, by 45 points after the first five events Sunday.

He then opened Monday with a decathlon career-best 13.67 in the 110 hurdles to take a 16-point lead. After

## GOODWILL GAMES

Huffins regained the lead by 2 points in the next event, the discus. O'Brien took a commanding 151-point advantage in the pole vault by soaring 17-3/4 (5.20 meters). Huffins cleared 15-5, O'Brien wound up winning by 179 points.

Marion Jones, motivated by trash-talking by fellow sprinters, ran away with the women's 200 meters in 21.80 seconds, the fastest time in the world this year.

It was her 24th final this year in six events — the 100, 200, 400, 800, 1,600, the long jump and the indoor 60 — and her 24th victory.

Jones said she was irritated by the trash-talking among some of the other sprinters. "They tried to psyche me out, but it didn't work," she said.

Bernard Barnasol of Kenya, the world record-holder in the men's 3,000 steeplechase, won in 8:14.26, after his teammate and former world record-holder Moses Kiptanui ruptured his right Achilles' tendon while going over the water jump.

Ivan Pedroso of Cuba, the two-time world outdoor champion and three-time world indoor champion in the men's long jump, won at 28-3/4 (8.54 meters) second-best mark in the world this year, and Svetlana Masterkova of Russia, the 800 and 1,500 Olympic champion, outkicked Regina Jacobs of the United States to win the women's mile in 4:20.39, also No. 2 in the world.

In synchronized swimming, Bill May, the United States, won a rare pair of medals in a sport usually reserved for women. May and Kristina Lum teamed to take the silver medal in duet, behind Russia's world champions, Maria Kiseleva and Olga Broussikina.

May and Lum later added silver medals in the team event as the United States finished second to Russia. May is the first man on any national synchro team and the first to compete in the sport's top event. "We were very focused on what we had to do and were determined to show that not only do men belong in the sport but they can belong on the medal stand as well," Lum said.



Bill May and Kristina Lum performing their duet, which helped them win the silver in synchronized swimming.

## Joyner-Kersey Takes Her Last Leap

Greatest Female Athlete of Generation Retires This Week at 36

By Jere Longman  
 New York Times Service

**UNIONDALE, New York** — Her grandmother named her after Jacqueline Kennedy Onassis, because she wanted her to grow up to be "the first lady of something." Jackie Joyner-Kersey fulfilled her grandmother's dream. She retires this week at 36 as the greatest female athlete of her generation, the first lady of track and field.

From modest beginnings in East St. Louis, Illinois, Joyner-Kersey began her long-jumping career on the front porch. She and her two sisters walked to a nearby park, loaded sand in potato-chip bags, carted the sand home and fashioned a jumping pit.

She was called a tomboy for years. She had pigtails, wore cutoff jeans and a T-shirt, hopped the railroad tracks and became so accomplished at the local recreation center that the phone at home rang off the wall, driving her mother to distraction, with strangers wanting Jackie to play on their basketball, softball and volleyball teams.

She quit being a tomboy and became simply an athlete during her sophomore year in high school, when her teams won the state basketball and track titles. The girls practiced in the gym after school, and it was the boys who had to trundle back for practice after dark.

One sport was never enough for Joyner-Kersey, who would play basketball at UCLA and would win three Olympic gold medals — two in the heptathlon, a third in the long jump. On Wednesday, she will complete her final heptathlon at the Goodwill Games. On Saturday, she will perform a farewell long jump in suburban St. Louis.

She retires knowing that her place in history is secure and that there is another queen, Marion Jones, to whom she can hand her crown. Jones said that Joyner-Kersey was her childhood idol and that, "in my mind, she is the best female athlete who ever lived."

"If I can achieve one-quarter of what she achieved, I'd be happy," Jones said.

The gold medals and world records aside, Joyner-Kersey's greatest achievement was that she helped make it O.K. for women to sweat. Along with Wilma Rudolph and Billie Jean King and others, Joyner-Kersey was a pioneer, crossing what was an athletic desert for women. As she retires, that barren landscape has changed.

Title IX, a U.S. federal law, mandates

equal opportunities for female athletes at American universities and high schools. American women are the Olympic champions at basketball, soccer and softball.

Not one but two professional basketball leagues exist for women in the United States.

"All we ever wanted was respect for what we were trying to do," Joyner-Kersey said Monday. "That's what's happening now. It's O.K. for girls to play soccer or softball or football and not be criticized or thought of as different."

Joyner-Kersey looks at Jones and sees a reflection of herself. They first met in the early 1990s, when Jones was still a high school star. It was not how fast Jones ran that impressed Joyner-Kersey. It was that she was nice and respectful and that she had set goals for herself. "I saw her being successful," Joyner-Kersey said.

Last year, Jones came to watch Joyner-Kersey play basketball in Virginia and Joyner-Kersey told her, "You are the one we should be reading about now." Several months later, Jones beat Joyner-Kersey in the long jump at the 1997 national championships and she has rarely lost anything since. More important to Joyner-Kersey, Jones has won with graciousness.

## Raiders Sign Winner of Heisman Trophy

The Associated Press

Charles Woodson, the Heisman Trophy winner, has signed with the Oakland Raiders a day before the opening of training camp.

Woodson, the fourth overall pick in the draft, reportedly signed a six-year deal worth \$14.5 million, including an \$8 million signing bonus.

"I told my agent when we first talked that I didn't want to be a hold-out," the former University of Michigan cornerback said.

Woodson is the highest pick from this year's draft to come to terms with his team. Jon Gruden, the new Raiders coach, said Monday that Woodson will be given a chance to start.

"We don't discriminate because of age," said Gruden, 34, the former offensive coordinator for the Philadelphia Eagles. "I'm a rookie head coach."

Peyton Manning, the top pick in the

NFL draft, said he might not reach a deal with Indianapolis before training camp opens Thursday.

"I hope it gets done," said the former Tennessee star. "But it is an important decision and it is one that needs to be done right."

Mark Rypien, a former Super Bowl MVP who signed with Atlanta as a backup quarterback to Chris Chandler, was placed on waivers.

Rypien, 35, signed a two-year, \$1.85 million contract with the Falcons in April. But family illnesses kept Rypien from taking part in any of the team's off-season training camps after he signed.

The 13-year NFL veteran has put his football career on hold since his 2-year-old son was diagnosed with a brain tumor. His wife, Annette, also has a serious illness.

Rypien was the 1991 Super Bowl MVP with Washington.

## McGwire's 43d Blast Ties Cardinal Record

St. Louis Slugger Within 18 of Maris's Mark

The Associated Press

Mark McGwire hit his major league-leading 43d homer, tying the Cardinals' record for homers in a season as St. Louis routed the Padres 13-1 at San Diego.

After Mark Langston allowed Ray Lankford's single leading off the fifth, Brian Boehringer came on to face McGwire. He threw a 2-1 pitch right down the middle, and McGwire muscled it out.

"It was a pretty cool thing," McGwire said. "I was sitting on the pitch

to Chicago and free tickets to a Cubs game, or something like that."

Brewers 5, Marlins 3 In Miami, Jeromy Burnitz hit a three-run homer and Scott Karl allowed no earned runs in seven innings as Milwaukee improved to 8-0 against Florida this season.

Milwaukee scored four runs in the first inning against Livan Hernandez (7-7), who took the mound hours after attending a court hearing on allegations that he physically abused a former girlfriend. She is seeking a permanent restraining order against him.

Phillies 3, Expos 1 Curt Schilling pitched a five-hitter and struck out nine to take over the major league lead with 198 strikeouts as Philadelphia won in Montreal. Schilling, who also singled home Philadelphia's first run in the fifth, walked one in his major league-leading 10th complete game.

Pirates 3, Mets 1 In New York, Francisco Cordova and Ricardo Rincon combined on a five-hitter and Aramis Ramirez hit a two-run homer as Pittsburgh won its fourth straight.

Astros 10, Rockies 9 In Houston, Tim Lincecum's run-scoring single in the ninth inning helped Houston hold on for its fourth straight victory in spite of blowing a seven-run lead.

Dodgers 2, Reds 1 In Los Angeles, Darren Dreifort pitched a one-hitter over eight innings, and Jeff Shaw struck out six, out his former team, in the ninth.

Giants 5, Diamondbacks 3 In San Francisco, J.T. Snow hit a two-run homer in the eighth inning as the Giants ended a four-game losing streak.

## NL Roundup

and got a hold of it. When you anticipate and get a good swing on it, you can drive it a long way."

McGwire, within 18 homers of matching Maris' record of 61 homers in a season, went 4-for-4 and extended his record for homers by the end of July.

The 458-foot shot gave McGwire a share of the club record set by Johnny Mize in 1940.

Cubs 11, Braves 4 Kevin Tapani, the Cubs starter, also got a little closer to Maris. Tapani hit what he said was his first-ever home run, a grand slam, as Chicago won in Atlanta.

"That's the first one over the fence," said Tapani, who grew up in Michigan. "We had a lot of snow, so there weren't a lot of chances."

Following his milestone, Tapani was unable to get his souvenir away from two greedy Atlanta fans.

"No, they said they wouldn't give it up," Tapani said. "They wanted a flight

## Yankees and Tigers Split Marathon Doubleheader

The Associated Press

**NEW YORK** — The schedule called for a doubleheader. But the Detroit Tigers and the New York Yankees played almost enough innings for a triple-header.

The two teams took 26 innings, 770 pitches and more than nine hours Monday night and ended all even.

They split, with Detroit winning the opener 4-3 in 17 innings and New York coming back for a 4-3 victory in a second game that truly was a nightcap.

"We should get a good night's sleep

## AL Roundup

after this one," said Paul O'Neill, the Yankees outfielder, who played every inning.

The final out came at 1:17 A.M. Since the Tigers were making their last trip to Yankee Stadium this year, the American League 1 A.M. curfew was waived.

Joe Randa's run-scoring single with two outs in the 17th ended the longest game for both teams since 1988. It took 5 hours, 50 minutes.

The second game was played in a relatively brisk 2:45.

The whole evening lasted too long for Tigers leadoff man Brian Hunter. Hunter went 0-for-13 in the two games, making the first and last outs of the marathon session, setting a new major league re-

cord for most at-bats without a hit in a doubleheader.

In the first game, the Yankees had plenty of chances, leaving 22 runners on base. They left the bases loaded in the eighth, 10th, 12th and 15th, and were hitless in their last 16 at-bats with runners in scoring position.

In the first game, Yankees relievers retired 15 straight batters before Luis Gonzalez singled with one out in the 17th. Paul Bako singled with two outs and Randa singled to drive in the winning run.

Sager (3-1), the eighth Tigers pitcher, was the winner a day after being called back up from the minors.

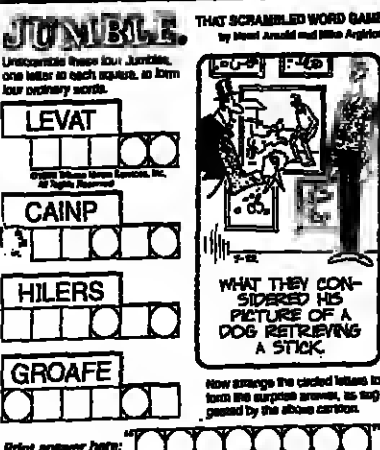
In the second game, Hideki Irabu (9-3) beat the Tigers for the third time this season. Derek Jeter hit a run-scoring single in the third, and the Yankees scored three times in the fourth.

Indiana 5, White Sox 4 Albert Belle was the focal point at Comiskey Park.

On the same day he was selected AL player of the week for the second straight week. Belle was charged with domestic battery. He allegedly hit a woman and ripped her phone from the wall as she tried to call for help Sunday night.

Then he homered for the 11th time in 13 games, raising his season total to 29 for the White Sox. Belle also dropped a fly ball for a three-base error, and Jim Thome's 26th homer helped Cleveland split the four-game series with Chicago.

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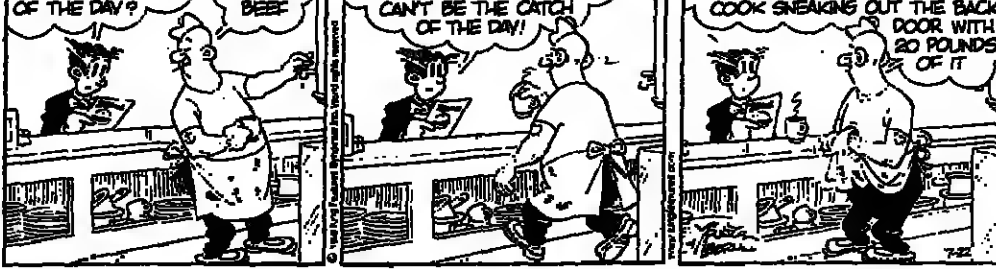
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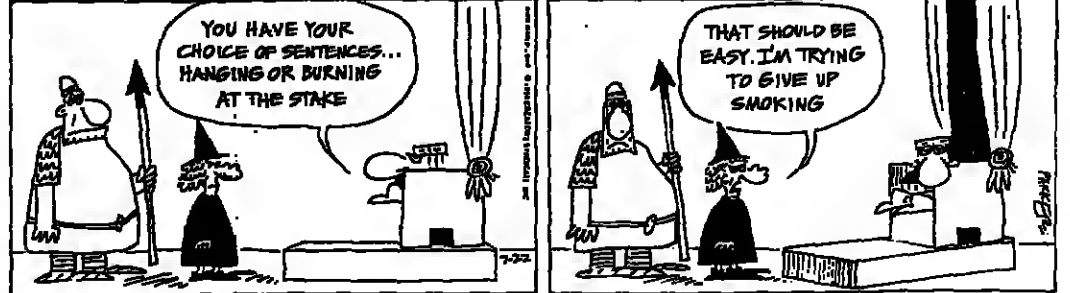
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## OBSERVER

## Wisdom of the Ages

By Russell Baker

NEW YORK — Wisdom answers his mail:

Dear Wisdom: I've been thinking about these HMOs. What right do they have to make doctors get approval from insurance agents before an insured patient like me can get proper treatment? (Signed) Jennifer W.

Dear Ms. W.: What are you kicking about? If you weren't so self-centered you'd be asking why there's no health insurance of any kind for millions and millions of suffering people.

At least you've got something to complain about. So the insurance sharks turn off your X-rays. Big deal! Be grateful the insurance business is letting you have anything at all.

Yrs impatiently, Wisdom

Dear Wisdom: Don't you think that the country would be much happier, not to mention nobler, if we restricted ourselves to presidents who have never engaged in premarital sex or even the kind of adultery so popular nowadays? (Signed) Bruce M.

Dear M.: You are suggesting that Americans will only tolerate presidents who are out of touch with the nation's sexual norms. This is silly. All the country cares about is legality.

The problem is that Congress has never codified what is legal and illegal, sexually speaking, for a president.

Write your congressman. Tell him we need a law stating clearly not only what youthful sexual experience will bar people from the highest of-

fice, but also what sexual behavior, if any, will be legally permitted while he serves.

Yrs creatively, Wisdom

Dear Wisdom: I am an old-fashioned TV watcher who still turns to the network news every night, hoping that Brinkley, or Huntley or Cronkite, will be making a comeback. Not that it's likely, I know.

Anyhow, I notice that almost every night half of each network show is devoted to a story about some amazing new medical discovery that will make it possible for everybody to just go right on living and living. My question is this: Why is there never any news at all from the world outside Washington and medical laboratories?

(Signed) Mrs. Thelma C.

Dear Mrs. C.: I take it from your letter that you are no longer 26 years old. From this it follows that what you watch is of no interest whatever to television programmers, none of whom is older than 27, and all of whom have the taste of 14-to-25-year-olds, which is the age that interests their advertisers.

The glut of happy medical news exists for two reasons:

(1) It is much cheaper to produce than it is to have correspondents reporting from Singapore, New Delhi, Brisbane, Johannesburg, Ankara, Caracas or even Kansas City.

(2) By promising immortality, it encourages people like you to keep buying the patent medicines whose ads, promoting ways to survive the nightmare of being over 30, keep TV news in business.

Cheerlessly yrs, Wisdom

New York Times Service

## Unlikely Savior Rescues Hip Internet Magazine

By Randy Kennedy  
New York Times Service

NEW YORK — When it was born three years ago, the literary Web magazine Word was widely praised as an example of how good Internet content could be, a kind of hip, lo-fi New Yorker magazine for a new generation.

It attracted well-known authors like Mary Gaitskill, who wrote about her first sunburn, and David Foster Wallace, who excerpted a chapter of his novel "Infinite Jest." The magazine won awards, and its hardworking, low-profile editor, Marisa Bowe, even ended up with her picture in Esquire, one of its "women we love."

The only problem? Like other worthy endeavors in the still unmappped world of Internet commerce, Word made no money. Its corporate parent, Icon CMT, which once dreamed of fast profits in Web magazines, closed it in March without so much as a courtesy call. ("They walked in at 5:00 and said, 'Be out of here by 7:00,'" Bowe recalled.)

But now, after months of dire "content is dead" predictions from Web watchers, Word is being reborn.

Its unlikely savior is a Houston company that was founded as an oil business in the 1950s by a young George Bush but that now focuses on processing protein extracted from fish. This summer the company suddenly announced that it would become a major player on the World Wide Web, though it had no experience in the Internet business.

The company, Zapata, controlled by the Glazer family of Rochester, New York, then changed the name of its Internet division to the more cybercool Zap. Like a lonely heart looking for a date, it began advertising in newspapers across the country to buy Web sites.

It is a turn of events that Bowe said can sound like a parody of the Internet business, something Word itself might have published. The staff members now call a Louisiana fish meal company, one of Zapata's holdings, when they have questions about their health plan. ("They're really sweet," Bowe said of her new personnel department.)

The editors count among their new corporate colleagues the Tampa Bay Buccaneers, a team also owned by the Glazers. "It's all kind of nerve-racking," Bowe said one morning before meeting with her staff, "but that's the Internet business itself."



She said that when she first heard about Zapata she "pictured some egomaniac Texan with a big hat going, 'Hey, I want to get into the content business.'" But whatever worries remain, her new backers have assured her not to worry about one thing: Word can continue to pursue its defiantly nontraditional vision without interference.

It will still have no celebrity profiles and no reviews. It will continue to publish funny,

raw, sometimes disturbing and mostly first-person articles about subjects ranging from sex to getting stabbed. In other words, it will continue to have a slim chance of raking in a lot of money.

Avram Glazer, Zapata's chief executive, seemed not to mind. "We didn't buy them because we wanted People magazine," he said, adding that he found Bowe "witty and easy to work with."

The magazine is a creation that Bowe, 39, had been cultivating, almost unwittingly, for a long time. Growing up in Minneapolis, where her father worked for Control Data Corp., she would roam around a crude precursor to the Web developed by the Defense Department.

In high school, she used the early technology mostly to flirt on-line with male programmers. "So my first primal experiences with computers were all sexy, fun, social," she said. Then came the second part of her education, in which she developed what she calls a populist's passion for the unadorned and unrehearsed in American culture.

There was the job as a trainee lumberjack, then as a cocktail waitress and a taxi driver, all in Minneapolis. ("my mini-Jack-Londonette trip.")

She got involved in the city's punk scene, which meant mostly that she "chased the boys in the bands and got dressed up in cool clothes." She can now think of it as "developing my visual esthetic through the medium of sartorial expression."

Moving to New York 13 years ago, she finally graduated from college with a degree in modern American history. She became involved in a "Marxist guerrilla video collective" that produced angry public access television programs and then she managed an on-line interactive bulletin board.

All of that left her with a distinct yearning to create a Web publication for "people turned off by the incessant glare of publicity and promotion and gloss and perfect people using perfect things."

But one that was more funny than preachy. A good sense of the tone can be gained by reading an editor's letter that Bowe posted at Word's Web site — [www.word.com](http://www.word.com) — which will become active again in September. Betraying a broad smirk, she asked loyal readers to remember that the magazine is "erudite, aggressively avant-garde, trenchant and metastasizing ergonomically," which is not always easy because it also tends to be hermeneutical and "ur-echt-gestalt-schadenfreude-y," which loosely translated means taking pleasure in pointing out American society's defects.

Bowe said that the magazine world is filled with niche publications aimed at small groups of readers, like, for example, baking enthusiasts. "Word is for people with a certain kind of a sensibility," she said. "There are probably more of them out there than bakers."

She added, smiling nervously, "But maybe not."

## PEOPLE



THREE'S FAMILY — Natasha Richardson, left, Lindsay Lohan, center, and Dennis Quaid at the premiere of their new film, "The Parent Trap," a remake of the 1961 Disney comedy classic.

THE actor Alec Baldwin mouthed "thank you" to jurors who found that he shared the blame with a celebrity photographer for a scuffle outside the movie star's home in 1995. The Los Angeles jury ordered Baldwin to pay \$6,000 in damages to the photographer, Alan Zanger. Because Zanger was found 25 percent responsible, however, his award will be reduced to \$4,500. The photographer, who had sought \$200,000 in lost income, said Baldwin hit him as he filmed the actor and his wife, Kim Basinger, when they were returning home with their newborn daughter.

Matt Damon, the Hollywood star of "Good Will Hunting" and "School Ties," blasted young actors as "morons" in a newly unearthed interview he gave four years ago that was never published. "For the most part, young actors in Hollywood are actors by default," said the actor and Oscar-winning writer, who was then 23. "They were a model last week, and they're an actor this

week." He added, "They're morons." The interview, which will be published Aug. 4 in Gear magazine, was conducted by Jeff Gremillion, a graduate student of journalism at Columbia University working on a class assignment. At the time, Damon was a movie wannabe searching for work. Gremillion recently sought a follow-up interview with Damon, but his letter and phone calls went unanswered.

The South African writer Nadine Gordimer has been named to help promote programs to combat poverty in developing countries, the United Nations Development Program said. Gordimer, 64, received the Nobel Prize in Literature in 1991. "Ms. Gordimer's commitment to social justice and her outspoken support for the disenfranchised have established her as a strong international voice for the world's poor and disadvantaged," the agency said.

Mohamed al Fayed and six employ-

ees won't be prosecuted for allegedly interfering with a safe-deposit box at Harrods, the British police said. "Tiny Rowland, who in 1985 lost a bitter battle with al Fayed for control of the London store, said in a lawsuit last year that in 1995, al Fayed persuaded the

employees at Harrods to break into Rowland's deposit box, which contained jewels worth hundreds of thousands of pounds. But a statement from Scotland Yard said that "there is no realistic prospect of conviction for any criminal offenses."

## Joyce's 'Ulysses' Voted Best English Novel

The Associated Press

NEW YORK — James Joyce's "Ulysses" has been voted the best English-language novel published this century, heading a list of 100 novels selected by a jury of scholars and writers.

The list was drawn up by the editorial board of the Modern Library, a division of Random House that has been publishing classic literature since 1917. A Random House spokesman said. Those voting were Daniel J. Boorstin, A.S. Byatt, Christopher Cerf, Shelby Foote, Vartan Gregorian, Edmund Morris, John Richardson, Arthur Schlesinger Jr., William Styron and Gore Vidal.

"Ulysses," which recounts a single day in the lives of a group of Dubliners, was followed by F. Scott Fitzgerald's "The Great Gatsby." In third place was another novel by Joyce, "A Portrait of the Artist as a Young Man," followed by Vladimir Nabokov's "Invitation of a Beheading," and Aldous Huxley's "Brave New World."

"We tried to pick books that were of great merit and proven over time," said Cerf, chairman of the Modern Library editorial board.



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